



Regional Housing Needs Determination for the San Francisco Bay Area



2001-2006 Housing Element Cycle



Association of Bay Area Governments
Representing City and County Governments of the
San Francisco Bay Area

Regional Housing Needs Determination for the San Francisco Bay Area 2001-2006 Housing Element Cycle

June 2001

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Executive Summary

The Bay Area's phenomenal growth has led to unprecedented economic prosperity for many of those who live here. However, the region's desirability has made it increasingly expensive. As the gap in wages for workers in highly skilled positions and in the retail and personal services sector has grown, lower wage workers have been left behind-particularly as housing costs have skyrocketed.

By the year 2005, the population in the Bay Area is expected to grow by 450,000. Providing sufficient housing for this growth is crucial if we are to maintain the region's social and economic vitality. The mismatch between the location of jobs and housing is already straining the region's roadways and environment.

As the cost for housing near job centers has risen, workers have sought more affordable housing in communities farther and farther away from their jobs, compounding traffic congestion. This trend is not uncommon in many of the booming regions in California.

To respond to state population and household growth, and to ensure the availability of decent affordable housing for all income groups, the State of California enacted law that requires the Association of Bay Area Governments (ABAG) and other councils of governments (COG) to periodically distribute the state identified housing need for their regions.

The state Department of Housing and Community Development (HCD) is responsible for determining this regional need, initiating the process by which each COG must then distribute their share of statewide need to all jurisdictions within its region.

After a two and a half year process, ABAG has completed the Regional Housing Needs Determination (RHND) process and prepared this summary document for the 2001 - 2006 housing element cycle.

This report responds to state law requirements, describing the RHND process and the methodology used to quantify the housing needs for existing and future residents of the San Francisco Bay Area.

Introduction

State Housing Element Law enacted in 1980 (Chapter 1143, Statutes of 1980; AB 2853) requires the Association of Bay Area Governments and other councils of governments in California to determine the existing and projected regional housing needs for persons at all income levels. ABAG is also required by law to determine each jurisdiction's share of the regional housing need in the nine-county Bay Area.

This report responds to the requirements of State Housing Element Law for the San Francisco Bay Area Region. It describes the process and methodology used to estimate existing and projected regional housing need, consistent with specific statutory requirements identified in State Housing Element Law.

Contents of this Report

Chapter I A provides a brief overview and timeline of the Regional Housing Needs Determination (RHND) process. Chapter I B of the report includes a regional profile of the nine-county Bay Area and provides snapshots of the changing demographic profile, job growth and employment patterns as well as the increasing bifurcation in household income growth, all of which impact housing issues in the area. Chapter I C describes the current housing crisis in the Bay Area and briefly details the costs of underproducing housing, an important effect which will undercut the recent, phenomenal Bay Area economic growth. Chapter I provides the backdrop against which the RHND methodology was developed.

Chapter II of this report describes the methods and policies for calculating regional housing need. Chapter II A shows how specific statutory requirements were taken into consideration. It also includes the final allocation tables identifying each city and county's share of the regional housing needs determinations.

Changes in Housing Element Law since the last RHND (1989) cycle have been detailed in Chapter II B while a full explanation of ABAG's methodology is available in Chapter II C.

Chapter II D describes the local government review process. State law provides a 90-day waiting period for Boards of Supervisors and City Councils to consider the RHND allocations for respective jurisdictions. A city or county may then request a revision of its share of regional housing needs based on available data and accepted planning methods. ABAG's acceptance or rejection of a local government's revision must take place within 60 days following this Revision period. Chapter II E describes policies and guidelines for the transfer of housing need responsibilities during the 1999-2006 RHND planning time frame.

Additional technical information is contained in the Appendices. Appendix A contains relevant correspondence between ABAG and the state Department of Housing and Community Development (HCD) staff. Appendices B, C and E contain text pertaining to Housing Element Law, relevant Assembly Bills, and the Attorney-General's Opinion. Appendix D provides an overview of ABAG's *Projections* modeling system and the assumptions used to prepare the forecast. Appendix F contains an analysis of overpayment by owners and renters in the region. Appendix G contains the revision guidelines, criteria and definitions used by the RHND process and Appendix H summarizes each jurisdiction's proposed revision and ABAG staff's recommended action. Appendix I contains a summary of appeal resolutions made by ABAG's Appeals Committee.

This Report is available in both print and CD formats. The print format is brief and contains Chapter I and Chapter II. Appendices A through I are available only on CD format. The CD format also contains a searchable index.



Chapter I

Background & Overview

***Regional Housing Needs Determination
Association of Bay Area Governments***

A. Overview and Timeline of the RHND Process

The State of California requires the Department of Housing and Community Development (HCD) to identify housing needs for each region as a response to the growing population and household growth in the state. State law (Government Code Section 65584) further mandates that each council of governments (COG) distribute the State identified housing needs allocations to each jurisdiction within the COG's region. This process was last undertaken by ABAG in 1989.

In 1999, after a ten-year lapse, the State Legislature re-instituted the Housing Needs Determination Process. HCD provided regional housing numbers or “goal numbers” that specified the regions’ share of the state’s housing need.

It is ABAG’s responsibility to determine the fair share of regional housing need for each city and county within the San Francisco Bay Area region for the period January 1, 1999, to June 30, 2006. The law states that “[T]he share of a city or county of the regional housing needs includes the share of the housing need of persons at all income levels within the area significantly affected by a general plan of the city or county.”

State Law also requires ABAG to “determine the existing and projected housing need for its region” after considering several statutory requirements, which are described in detail in Chapter II B of this report. State Law further requires that the distribution of the regional housing needs allocations “... seek[s] to reduce the concentration of lower income households in cities and counties which already have disproportionately high concentrations of low income households.”

The details of the methodology are each COG’s responsibility, working in cooperation with HCD. ABAG is required to provide HCD and each jurisdiction within its region “with data describing the assumptions and methodology

used in calculating its fair share of regional housing need.” After ABAG makes its initial determination, HCD has 30 days to ensure that the determination is consistent with statewide housing need and may make necessary revisions. During the early stages of the RHND process, ABAG and HCD worked in a collaborative effort to determine the Bay Area’s share of the statewide housing needs goals. HCD’s initial determination was 310,761 housing units for the 1999-2006 RHND time frame. ABAG compared this initial figure with its bi-annual forecasts of growth in the region, and determined that the goal figure was significantly larger than the expected growth in households for the region. ABAG provided HCD with its estimates of population and households, which ultimately resulted in a reduction of the initial determination by HCD to 230,743 housing units.

State Housing Element Law sets forth a schedule and process for the RHND distribution cycle. The Process begins with the COG’s determination of each jurisdiction’s RHND allocation assignments. A Review period follows, whereby each jurisdiction is given 90 days following ABAG’s initial determination to propose any revisions to its share of regional housing need. At the conclusion of the Review stage, a Revision stage follows. Within 60 days after a city or county proposes a revision, ABAG “shall accept the proposed revision, modify its earlier determination, or indicate, based upon available data and accepted planning methodology, why the proposed revision is inconsistent with the regional housing need.”

Immediately following the Review and Revision stages of the RHND process, ABAG must adopt final RHND allocation assignments. On completion of this cycle, each jurisdiction is required by law to incorporate RHND allocation into an updated version of its Housing Element in the General Plan. Updated housing elements must be completed and submitted to HCD by December 31, 2001. RHND milestone dates are listed on Page 7 of this chapter.

Chapter 1

RHND Process Outreach Efforts

Throughout the two and half years of the RHND process, ABAG has made consistent and sustained efforts to keep the process open and accessible. These efforts include setting up a web site where all correspondence and methodology issues are posted (<http://www.abag.ca.gov/planning/housingneeds/>) and establishing regular channels of communication with all jurisdictions and the state.

In March of 1999, some months prior to starting the RHND Process, ABAG staff requested that jurisdictions identify a staff person as the main RHND contact. The ABAG Executive Board created an 18-member Housing Methodology Committee (HMC), comprised of one elected member and one professional staff person representing each of the Bay Area's nine counties. The HMC worked with ABAG staff to develop a methodology to distribute the Regional Housing Needs Determination allocations to each jurisdiction in the region. In addition, a broader "Peer Review Group," was established to provide input and feedback regarding the RHND methodology. This Peer Review group included elected officials, city & county staff, and members from various stakeholder groups throughout the region. This process allowed representation from every jurisdiction in the region.

Another important part of the outreach effort included a series of sub-regional meetings held around the Bay Area to explain the process and the methodology. Presentations were made to the City Managers, Mayors and Council Members and Planning Directors Associations as well as to individual jurisdictions, as requested.

The feedback received through these outreach efforts resulted in significant modifications to RHND methodology following the first release of RHND housing numbers on December 1, 1999. The modified RHND methodology incorporated a jobs/housing balance ratio adjustment component that focused RHND allocations towards employment centers throughout the region.

As part of the ongoing RHND outreach effort as well as to address the regional housing crisis, ABAG also released the *Blueprint 2001 for Bay Area Housing* document, developed in collaboration with the Bay Area Council, Greenbelt Alliance, Home Builders Association of Northern California, Non-Profit Housing Association of Northern California and the California Affordable Housing Law Project. *Blueprint 2001* provides an overview of the housing element process, state law requirements and community participation strategies. It also provides detailed information on programs, strategies and resources for supporting affordable housing within a framework of sustainable development and smart growth.

RHND Process Timeframe

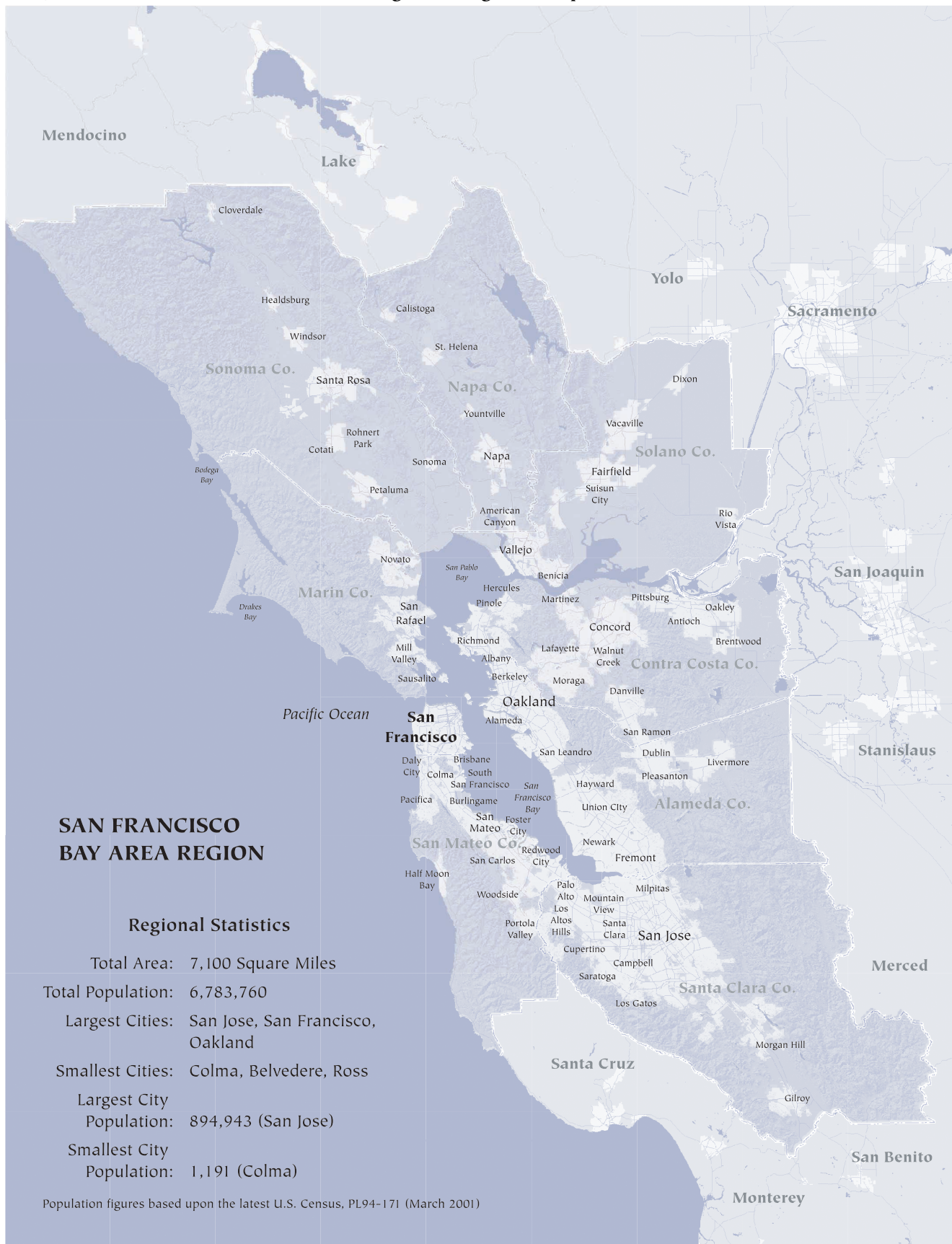
The RHND process began in March of 1999 and the first release of RHND allocations was on December 1, 1999. During the 90-day review and revision process that followed, the methodology was revisited. The ABAG Executive Board modified the RHND methodology and released revised RHND allocations on June 1, 2000. The modified RHND methodology is described in detail in Chapter II A. The required 90-day review process concluded on August 31, 2000.

Immediately following the 90-day review process, ABAG staff had 60 days to respond to comments and/or proposed revisions made by city and county jurisdictions. The 60-day response and revision period ended on October 30, 2000. Once the ABAG Executive Board adopted final RHND allocations, jurisdictions had one final opportunity to appeal the RHND allocation assignment determined by the Executive Board. On January 25, 2001, an Appeal Committee heard and decided the outcome of all appeals. The appeal resolutions were then forwarded to the ABAG Executive Board. On March 15, 2001, the Executive Board adopted final RHND allocations for the region, concluding the 1999-2006 RHND process. The following table highlights milestone dates of ABAG's RHND process and time line.

RHND Milestone Dates

March 1999
Housing Methodology Committee began development of methodology
October 1999
HCD provides regional housing "goal" numbers
June 2000
ABAG releases preliminary allocations 90-day review and revision period begins
September 2000
60-day ABAG response to jurisdiction comments begins
November 2000
ABAG Executive Board approves final housing need allocations
December 2000
Appeal process initiated
January 2001
Appeal hearings held
March 2001
ABAG Executive Board certifies final housing allocation numbers
December 2001
Housing Element revisions due to HCD

Figure 1. Regional Map



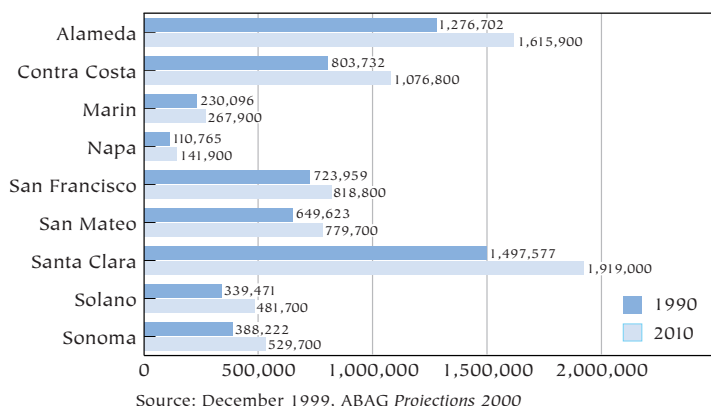
B. Regional Profile

The San Francisco Bay Area is the fifth largest metropolitan area in the United States. It is a region of world-renowned cities and small towns with distinct personalities. The governmental system includes five regional agencies, including ABAG, nine counties, 101 cities, 162 school districts and nearly 1,000 special districts. A robust economy, diverse mix of communities, numerous parks, vast areas of open space and a moderate climate also distinguish the region. The region's allure and exuberant growth have created an economy that ranks higher than that of many countries and includes a number of cutting edge industries. It has long served as an incubator for the high-technology industry and as a center for biotechnology research and product development. Equally important is its role as a major tourist destination attracting visitors world-wide.

However, the region's growth and popularity contribute to several adverse impacts which affect housing and the necessary infrastructure to sustain economic growth the region thrives upon.

The following section provides a brief description of the region's demographic shifts, household and employment patterns as well as household income, all of which provides the context for the region's housing market.

Figure 2. 1990-2010 Regional Population Growth



Population

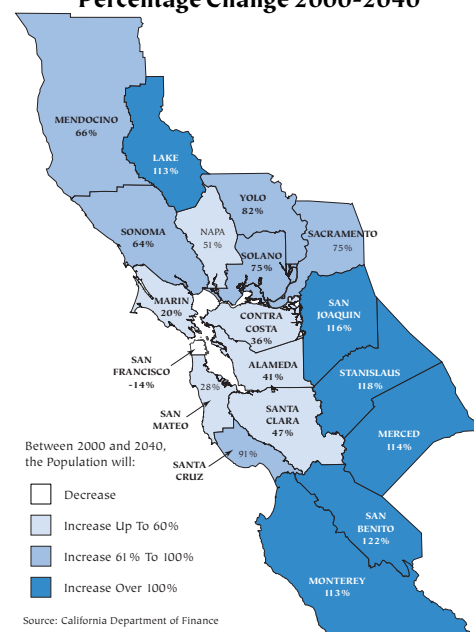
An additional 1.61 million by the year 2010

The Bay Area's population is growing larger, older and more diverse. It is estimated that by 2010, about 7.63 million people will inhabit the region, a growth of about 21 percent over 1990 population of 6 million residents. The population growth will mainly be due to increases in births and longer life expectancy, rather than migration. However, the Bay Area is growing slower than the State of California, which will experience a growth rate of about 26 percent during the same time period.

While the highest rate of growth within the Bay Area will take place in the less populated North Bay counties of Solano, Sonoma and Napa, the counties of Santa Clara, Alameda and Contra Costa will remain the region's largest populated areas.

More importantly, the region's growth will produce phenomenal changes in the ten counties adjoining the Bay Area. Triple digit growth is forecast for Lake, San Joaquin, Stanislaus, Merced, San Benito and Monterey Counties, fueled in part by the availability of affordable housing in those counties.

Figure 3. Population Growth: Bay Area and Surrounding Counties Percentage Change 2000-2040



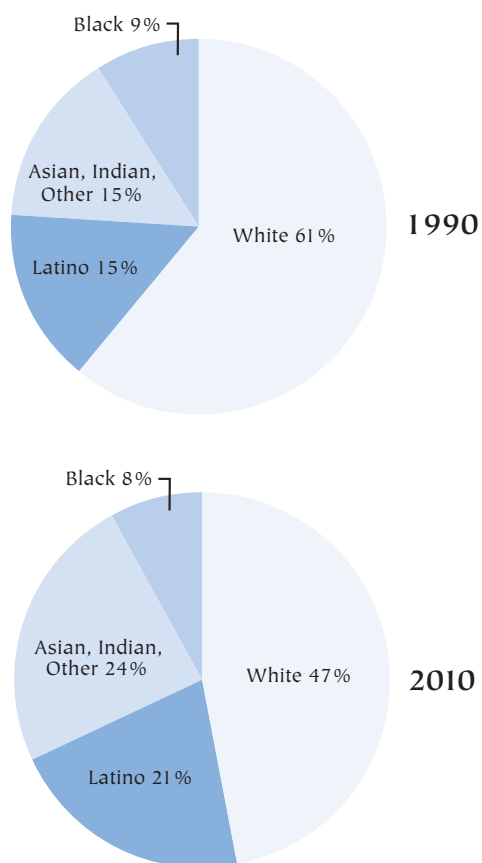
Chapter 1

An Increasingly Diverse but Graying Population

An increase in the number of people 65 and older will result in a dramatic change in the Bay Area's population. Currently estimated to be about 11 percent of the population, seniors will comprise nearly 14 percent of the population by the year 2010. This change may have a significant impact on housing needs, as well as on a wide range of social programs and services.

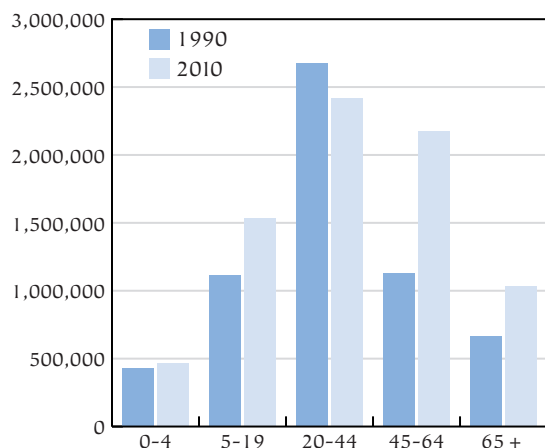
By 2010, about 54 percent of all Bay Area residents will be persons of color. Asians and Pacific Islanders will see the most growth: from about 15 percent of the population in 1990 to about a fourth of the total population in 2010, followed by people of Hispanic origin, who will grow to about 21 percent of the population in 2010 from a little over 15 percent of the population in 1990. The percentage of African-Americans is expected to remain constant. These trends are also related to the region's expected increase in average household size, growing from 2.61 in 1990 to 2.81 in 2010. These shifts signal an upcoming significant impact on housing needs.

Figure 5. Regional Population by Ethnicity



Source: 1998, California Department of Finance

Figure 4. Regional Population by Age



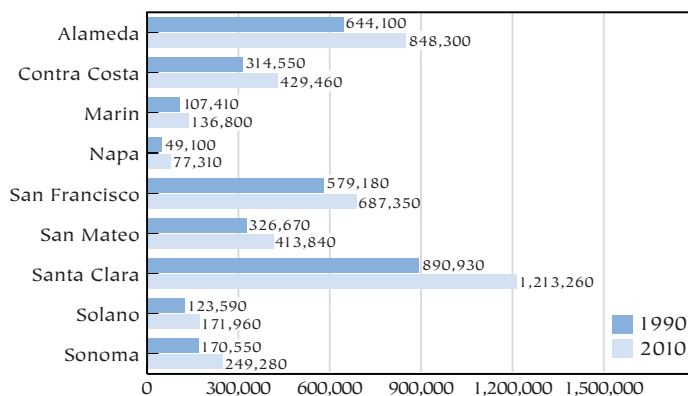
Source: December 1999, ABAG Projections 2000

Job Growth and Employment Patterns

Job growth and employment patterns in the Bay Area are undergoing significant changes both in types of jobs available and their location. The regional economy is diversifying, even as growth in the information and high technology sector remains significant. The nine-county Bay Area is expected to add more than a million jobs between 1990 and 2010. About 39 percent of these jobs will be in the services sector (business and professional, health and recreation, social and personal), the manufacturing and wholesale sectors will comprise 21 percent and the remaining 40 percent will include a variety of professional related jobs ranging from communications, insurance and real estate to construction and transportation.

Santa Clara County will see the highest number of new jobs in the services and manufacturing sector, while Alameda County will gain the most new jobs in retail and other sectors. In terms of cities, San Francisco followed closely by San Jose are expected to gain the most new jobs. The rate of job growth will, however, be highest in the East and North Bay Areas. Sub-regional clusters in Contra Costa-Alameda Counties' Tri-Valley, Sonoma County's Telecom Valley, San Francisco's Multi-media Gulch and the Fremont-Milpitas Corridor are also expected to boom.

Figure 6. Job Growth by County

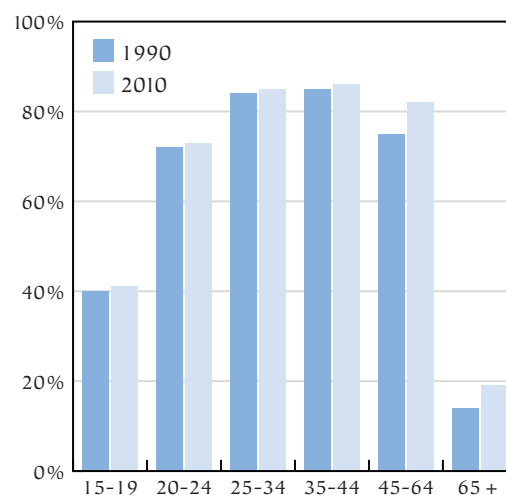


Source: December 1999, ABAG Projections 2000

However, the burgeoning economy continues to produce more jobs than housing units, particularly in job-rich communities, with significant impacts on housing prices and rents. The price of buying or renting a home has soared and is amongst the highest in the nation.

We will also see an older labor force. By the year 2010, it is expected that nearly a fifth of those 65 and older in the region will still be working (in comparison to the 1990 labor participation rate of 14 percent). This is due in part to the region's high cost of living. The region's residents also hold a higher rate of multiple jobs, which can be attributed to the high cost of living.

Figure 7. Bay Area Labor Force Participation Rate



Source: December 1999, ABAG Projections 2000

Chapter 1

Household Income

The Bay Area's median household income is among the highest in California. Marin County will continue to have the highest mean household income, while the fastest growth rate in mean household income is expected in San Francisco and Santa Clara counties.

However, the income disparities between the wealthiest and the least affluent—a phenomenon occurring worldwide due, in part, to changes in the labor market—are also wide in the Bay Area, and growing.

Disparities between cities are high and will continue to spread. Figure 9 illustrates the income disparities of jurisdictions in the region. The ratio of household income for the cities of Atherton and Oakland is expected to spread from 6 to 1 in 1990, to 8 to 1 by 2020. Similar patterns can be seen in other cities as well.

Figure 8. Projected Mean Household Income

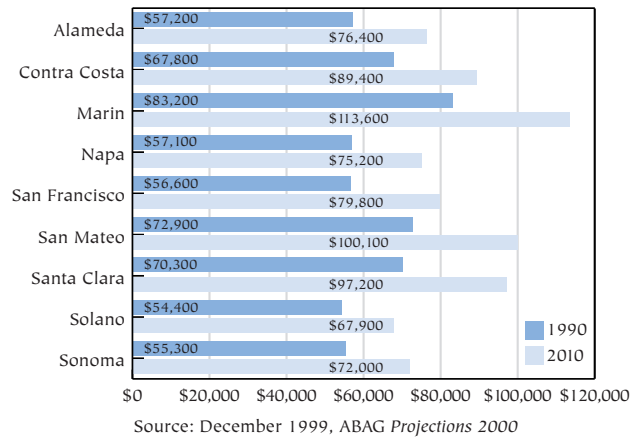
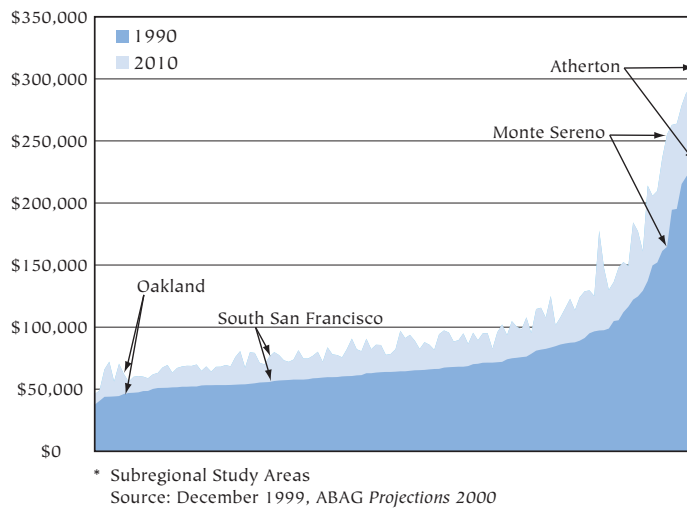


Figure 9. Projected Mean Household Income in San Francisco Bay Area Communities*



C. Housing Issues in the Bay Area

The Regional Housing Crisis

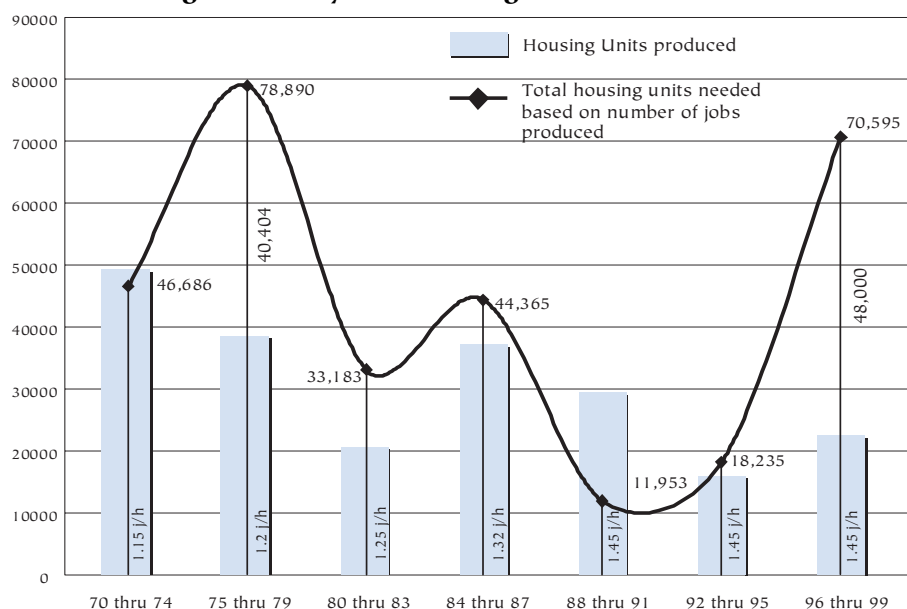
The Bay Area is in the midst of a housing crisis, with housing affordability at an all-time low. Recent estimates indicate that only 16 percent of Bay Area households can afford a median priced home in the region, with affordability dropping to as low as 12 percent in Contra Costa and San Mateo Counties and 10 percent in San Francisco (California Association of Realtors, July 2000). It is expected that this housing crisis will have long-term economic repercussions and significant impacts on the quality of life as the region's roadways are clogged with workers traveling increasingly longer distances to get to work.

One reason for the housing crisis is that housing growth has not kept pace with job growth. Between the years 1990 and 2000, the Bay Area produced nearly 500,000 new jobs but less than 200,000 housing units. The jobs/housing imbalance is particularly striking in job-rich centers such as northwest Santa Clara County where nine jobs were produced for every new home built in the 1990s.

Further exacerbating matters is the type of housing stock being created. Nearly two-thirds of the Bay Area's current housing stock is single-family. The severe lack of multi-family housing development in most communities has resulted in large numbers of people not being able to afford housing in the areas where they work. This includes older residents, younger families and other segments of the population searching for affordable housing.

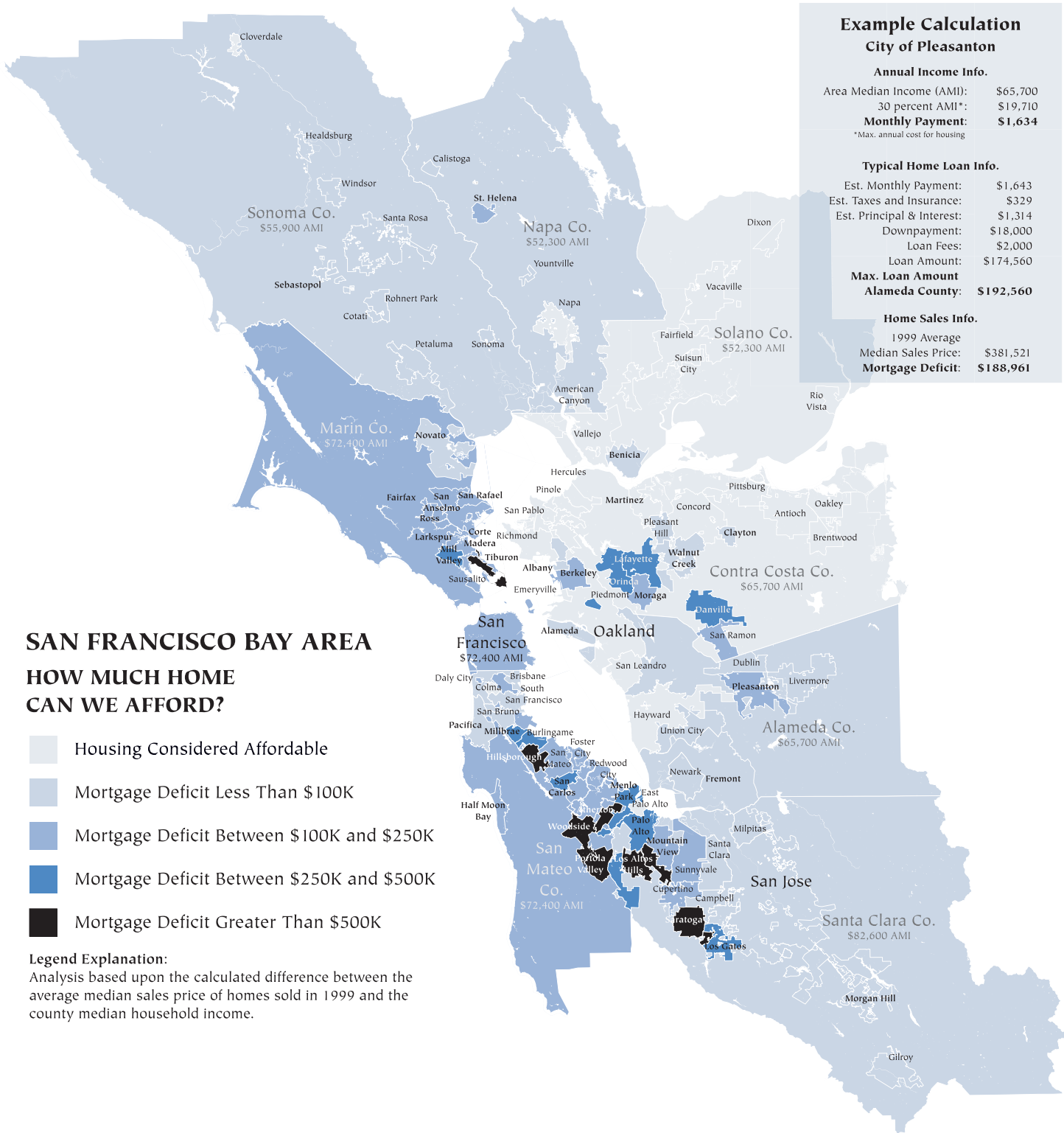
Another major factor contributing to the lag in housing production is local policies related to land use and development. While few communities have sought to limit job growth, many jurisdictions have limited residential development, favoring non-residential uses over residential uses or establishing low-density limits on residential lands. It can be said that the cumulative impact of land use policies and development decisions aimed at protecting the quality of life for the region's residents has actually had an opposite effect. It has increased housing costs by limiting housing availability, as well as produced more sprawl, traffic congestion and a lower quality of life for many of the region's residents.

Figure 10. Bay Area Housing Production vs. Need



Source: March 2000, Department of Finance, ABAG

Figure 11.



Costs of Under-producing Housing

The costs of under-producing housing are many and range from higher housing cost burdens and disproportionate impacts on lower-income renters to increases in overcrowding and commute times.

High Housing Cost Burdens

Under-producing housing creates a supply-constrained housing market, which contributes to steep increases in housing prices and rents. According to DOF estimates, median home prices in the Bay Area rose 28 percent between December 1999 and December 2000. Data on average home prices between December 1998 and 1999 from the California Association of Realtors shows similar increases, with some cities in the region recording increases of over 45 percent. While median household incomes in the Bay Area are higher than many metropolitan areas in California, they are not high enough to keep pace with rising housing costs.

Another result of the housing cost burden is that a large number of Bay Area residents consistently devote a higher percentage of their income to housing. While median housing cost burden for all homeowners in metropolitan areas across the US was about 17 percent of household income in 1995, cost burdens for owners in San Francisco/Oakland was about

22 percent with San Jose being one percentage point higher. First time homeowners and recent new comers to San Francisco/Oakland and San Jose had even higher median cost burdens at 31 percent (HCD, 2000). Homeownership rates for these jurisdictions are also lower than the US average of 65 percent: 55 percent for San Francisco/Oakland and 59 percent for San Jose in 1995.

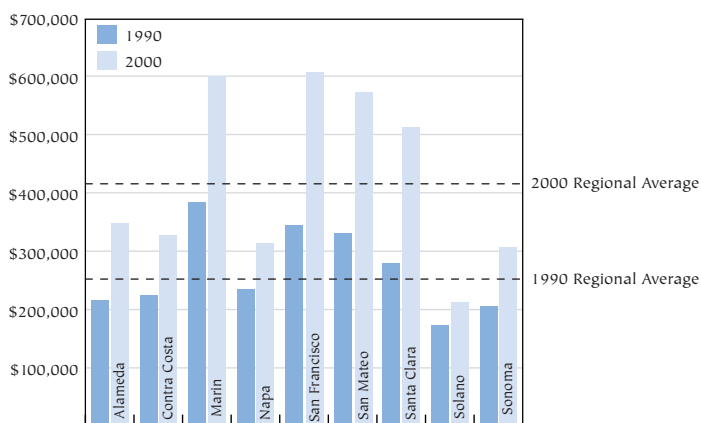
A study of housing markets across the state for the period 1995-1997 (HCD, 2000) shows that average rents rose at almost double the rate of growth in average home prices. For the two year period of 1995-1997, the average percentage change in home prices was 5.35 percent for the Bay Area, substantially lower than the 12.9 percent change in average rents for the same period. Santa Clara County had the highest increases, both in home prices (11 percent) and average rents (27 percent).

Disproportionate Impacts on Lower Income Renters

Within the rental market, the burden of high housing costs falls disproportionately on low and very-low income renters. In 1995, about three-fourths of California's very-low income renters paid more than half their income for rent in comparison to about a third amongst all renters across the state. Low-income households are defined as those earning 80 percent and below county-median household incomes, while very-low income households are those with incomes less than 50 percent of county-median household income (HCD, 2000).

More recently, the US Department of Housing and Urban Development (HUD) estimated that monthly Fair Market Rents (FMR), for a two-bedroom unit, are between \$857 in Solano and Napa Counties, and \$1,154 in Marin, San Francisco and San Mateo counties. Compared to the Statewide average of \$791, the Bay Area significantly stands out.

Figure 12. 1990-2000 Average Prices for New and Existing Homes by County



Chapter 1

To afford these rental prices, a lower-income family of four in Solano and Napa Counties would be paying almost two-thirds of their income towards housing costs while families in Marin, San Francisco and San Mateo Counties would typically pay about 75 percent of their income towards rent for a two bedroom unit. At these costs, more than half of all renters are unable to afford FMRs (National Low Income Housing Coalition (NLIHC), 2000).

A further calculation showed that renters would need to earn an hourly wage between \$16.50 (Napa and Solano Counties) and \$38.50 (San Francisco, Marin and San Mateo counties) to afford FMRs for two bedroom units. If California minimum wages of \$5.75 per hour were taken into consideration, families in Solano and Napa would typically have to work a minimum of 115 hours per week, while those living in Marin, San Francisco and San Mateo would put in 195 hours of work per week to afford a two-bedroom unit at fair market rents. Simply put, lower-income residents in the Bay Area, whose median household incomes in 2000 ranged between \$32,870 in Solano County to \$53,463 in San Francisco cannot afford to live in the places where they work (NLIHC, 2000).

Table 1. Estimated Number of Renters Unable to Afford Fair Market Rent

County	One Bedroom	Two Bedrooms	Three Bedrooms
Alameda	38%	48%	64%
Contra Costa	42%	52%	67%
Marin	52%	64%	79%
Napa	43%	52%	69%
San Francisco	44%	54%	70%
San Mateo	47%	58%	75%
Santa Clara	36%	46%	61%
Solano	43%	52%	69%
Sonoma	38%	50%	66%

Source: "Out of Reach", September 2000.
National Low Income Housing Coalition (www.nlihc.org)

Rising Overcrowding

Under-production of housing and rising housing cost burdens also result in overcrowded units. Overcrowded units are defined as those where the ratio of persons-to-rooms exceeds 1.0, with severe overcrowding in units where the ratio exceeds 1.5. Overcrowding is a problem across California, with numbers having doubled between the 1980 and 1990 census when about 1.2 million households (about 12.3 percent of total households) experienced overcrowded conditions. Overcrowding levels are also generally higher in lower-income households, and impact lower-income renters more than any other group (HCD, 1999).

The American Housing Survey of select California metropolitan areas showed that overcrowding had increased by about 13 percent for the period 1989-1995. However, overcrowding among renters went up by over 20 percent, while overcrowding among owners decreased by 6.7 percent. Metropolitan areas surveyed in the Bay Area (which include San Francisco/Oakland and San Jose) show less severe overcrowding than other metropolitan survey areas in California although San Jose showed a significant increase in overcrowded renter-occupied units in the period 1992-1996 (HCD, 1999).

Increased Commute Times and Distances

Since housing prices generally conform to some form of declining price gradient, a typical effect of underproduction is for prices to be lower at the fringes of an area. This generates a jobs-housing imbalance and substantially longer commute times for workers moving further out from job centers in search of affordable housing.

The dispersed development patterns that result will mean a 10 percent increase in average travel time to work in the period 1990-2020, and an estimated 249 percent increase in congestion measured as average daily vehicle hours of delay from 105,000 hours in 1990 to an estimated 366,000 in 2020 (Metropolitan Transportation Commission, 1999).

Sources

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Chapter II

Housing Needs Determinations

***Regional Housing Needs Determination
Association of Bay Area Governments***

A. Statutory Requirements

California government code section 65584(a) requires ABAG to distribute the state identified regional housing need allocation to each jurisdiction within the Bay Area region. This section of the code contains a set of guidelines that ABAG must follow when developing the methodology to distribute the state identified regional housing need allocation. These guidelines include two principle components, which are: (1) A region-wide share of the state's Housing Unit goals- determined by HCD, and (2) planning considerations that the methodology must incorporate when determining the distribution of need each jurisdiction in the region will receive.

Methodology Requirements

Region-Wide Share of State Housing Unit Goals

HCD is the state agency responsible for determining the San Francisco Bay Area's region wide share of the estimated statewide housing need for the period of January 1999 through December 2006. The regional numbers supplied by HCD are "goal numbers," and often exceed anticipated growth in housing units cities and counties expect. The methodology used to determine the statewide need, and each region's share of that need, incorporates factors such as vacancy rates, potential growth rates (population, jobs, household formation rates) and demolition of existing housing stock. Both existing and projected need is included in the State's projection of housing need.

ABAG's share of the statewide housing need is provided in the form of a regional allocation of units (230,743) which is divided by income distribution (very-low, low, moderate and above-moderate). ABAG is required to distribute this number to Bay Area jurisdictions based upon a methodology which is developed independent of the one used by HCD to determine statewide housing goals.

Each city and county in the ABAG region must plan for the level of growth assigned by this process, in the update of their respective General Plan Housing Elements.

Guidelines and Planning Considerations

It is ABAG's responsibility to determine the share of the state identified housing need for each city and county within the Bay Area region. That share includes the housing needs of persons at all income levels within the area significantly affected by a general plan of the city or county. This determination must take into account the following planning considerations:

- Market demand for housing
- Employment opportunities
- Availability of suitable sites and public facilities
- Commuting patterns
- Type and tenure of housing need
- Loss of units contained in assisted housing developments, that changed to non-low-income use
- Special Needs Housing requirements

The government code also requires that the distribution of regional housing needs "...seek to reduce the concentration of lower income households in cities or counties which already have disproportionately high proportions of low income households."

The creation of the methodology is essentially ABAG's responsibility, working in coordination with HCD. ABAG is required to provide HCD, along with each city and county in the region, data describing the assumptions and methodology used in calculating the shares of regional housing need. Once ABAG has determined each city and county's share of the regional housing need, HCD may revise the determination to maintain consistency with the statewide housing need. HCD has reviewed and accepted ABAG's RHND program and methodology without comment.

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The following section describes the assumptions and methods used by ABAG to meet the statutory requirements defined by the state.

Market Demand for Housing

State law requires that an assessment of the region's housing market be performed when conducting the RHND analysis. This information can best be analyzed and presented locally in each jurisdiction's updated housing element. ABAG has relied on the *Projections 2000* forecasts for **population**, **employment** and **households** to determine the RHND allocations for each jurisdiction. The realized demand for housing can be ascertained by analyzing growth projections contained in the *Projections 2000* document. ABAG's forecast considers fertility rates, births, deaths, migration, household size and labor force participation rates, as well as local jurisdictional input, all of which dramatically affects the rate of household formation, and subsequently the housing need associated with this growth.

The region's current housing stock will have to increase substantially to meet the future housing needs of the region's burgeoning population. Between 2000 and 2010, ABAG's forecast shows that the region's population will grow by 251,300 persons to a total population of 7,631,400. ABAG's RHND methodology addresses future housing demand by considering each jurisdiction's share of the region's household and employment growth. This method ensures that future housing demand is met by assigning housing unit allocations in areas where growth is expected to occur.

Employment Opportunities

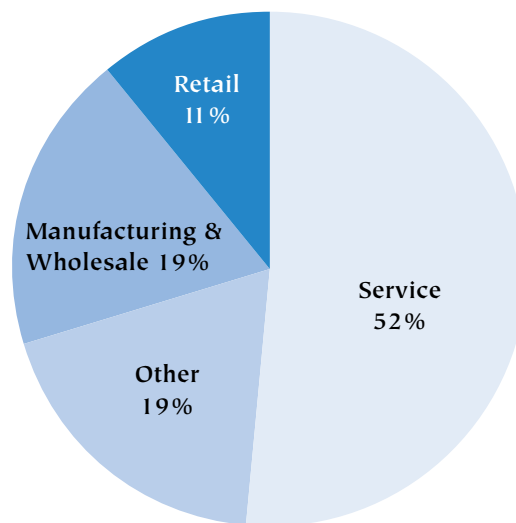
State law requires that ABAG consider employment patterns when determining the distribution of RHND allocations for jurisdictions in the region. ABAG's *Projections 2000* forecast contains the employment potential for each of the region's jurisdictions to the year 2020. *Projections 2000* indicates that the region will

add nearly a million new jobs over the next twenty years. Over 50 percent of these jobs will be in the services sector (business and professional, health and recreation, social and personal), while the manufacturing and wholesale sectors will comprise 19 percent of the new work force. Retail jobs will include another 11 percent with the remaining 19 percent of jobs being comprised of a variety of professions (ranging from communications, insurance and real estate to construction and transportation).

The most significant job growth will be in Santa Clara County (231,000), followed by Alameda (219,550), Contra Costa (140,590), San Francisco (102,800), Sonoma (95,580), Solano (81,270), San Mateo (71,460), Napa (30,110) and Marin (27,000) counties.

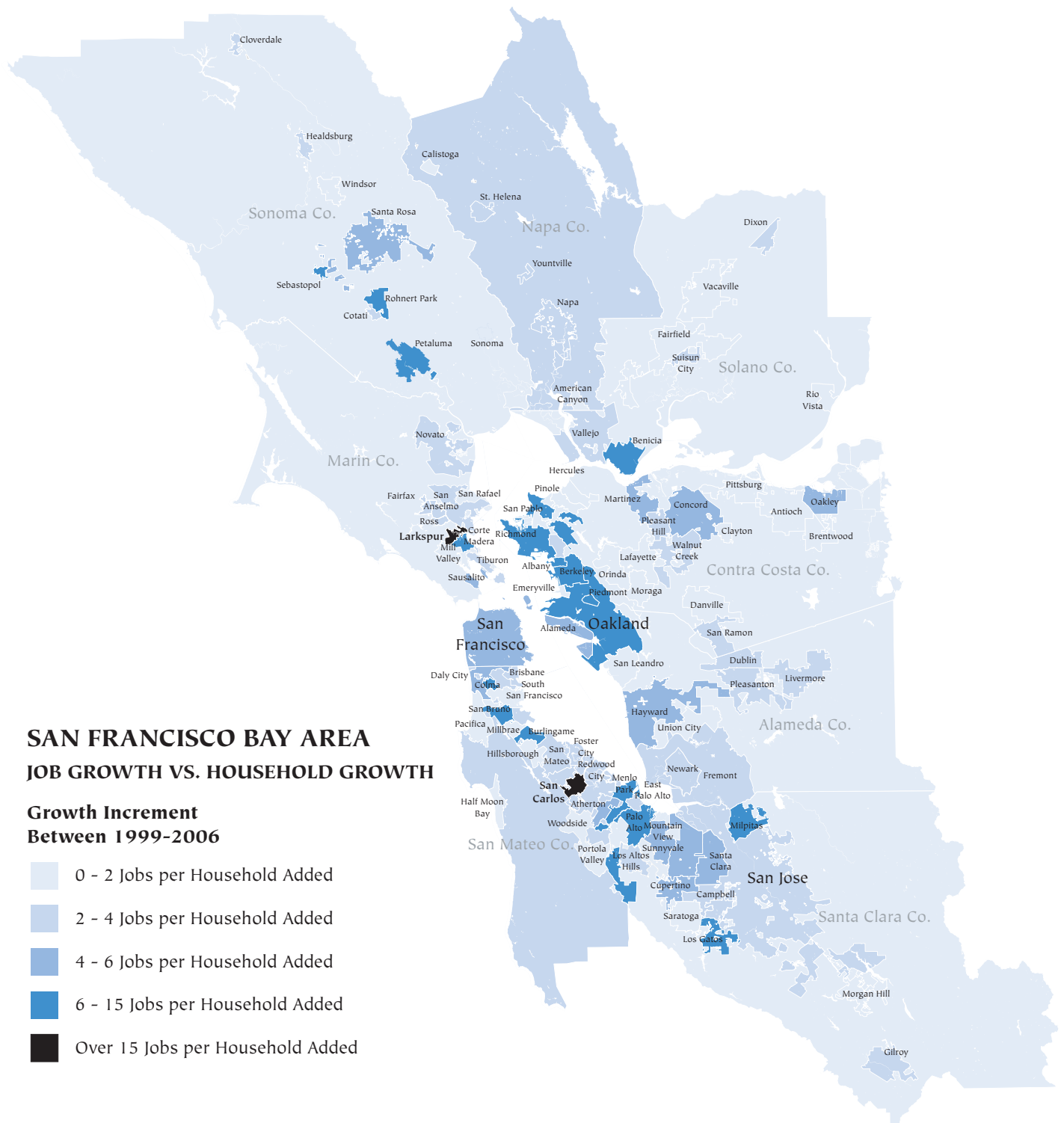
The region's current housing stock will need to increase substantially to meet the future demand of the region's burgeoning population.

Figure 13. Job Demand by Sector



"Other" includes construction, transportation, communications, utilities, finance, insurance, real estate and government, including national security

Figure 14.



Chapter 11

During the 1999-2006 RHND time frame, ABAG expects that 422,754 jobs and 177,318 households will be added in the region—a ratio of 2.38 jobs/household. The region's jobs/household ratio in 2000 was approximately 1.45 and in 2010 it will be 1.51. Conventional planning practice suggests that a jobs/housing ratio should be 1.5. While the number of jobs in relation to housing units being added to the region would indicate that we are moving towards a healthy jobs/housing ratio, a closer examination of the disparities of job growth among the region's cities and counties suggests a completely different story.

During the 1999-2006 RHND time frame, many jurisdictions will expect job growth to significantly outpace household growth. For example, the City of San Carlos is planning 19 jobs for every one housing unit added. Many of these jurisdictions have historically had a jobs/household ratio well above the regional average. Another common trait shared by jurisdictions with exceptional job growth is that their housing related costs are among the highest in the region.

While these jurisdictions maintain the ability to attract business at an increased pace, by not producing housing, workers are forced to endure lengthy commutes from the region's outlying areas—where housing production typically outpaces job growth.

The RHND methodology addresses this issue directly by shifting a larger share of the RHND allocations towards jurisdictions that are planning significant job growth during the RHND time frame. While this action may not directly result in an immediate reconciliation of the jobs/housing relationship in the region, it does move the region closer in this direction.

The *Projections 2000* forecast indicates that local government land use policies—which encourage job growth over household growth—may limit the region's labor supply. Table 2 compares expected job growth with expected growth in employed residents for each of the region's major transportation corridors between 2000 and 2020. The region's projected increase in jobs exceeds projected growth of employed residents by 99,060 individuals for the Bay Area. The Peninsula Corridor (San Francisco and San Mateo counties) has the most serious imbalance of jobs to labor supply growth.

During the 1999-2006 RHND time frame, ABAG expects that 422,754 jobs and 177,318 households will be added in the region—a ratio of 2.38 jobs/household.

The Peninsula Corridor (San Francisco and San Mateo counties) has the most serious imbalance of jobs to labor supply growth.

Table 2. Labor Supply and Job Growth along Transportation Corridors in the Bay Area, 2000-2020

Transportation Corridor	Population Growth	Household Growth	Employed Resident Growth	Job Growth	Labor Deficit/ Surplus
I-680 Corridor	159,800	58,700	118,800	128,410	(9,610)
Highway 4 Corridor	119,200	42,300	73,900	55,360	18,540
I-80 North Corridor	175,400	61,340	118,200	111,380	6,820
I-80 Central Corridor	27,700	9,650	22,800	24,750	(1,950)
I-80 South/ Highway 24 Corridor	52,800	11,890	58,700	72,470	(13,770)
I-880 South Corridor	76,600	23,550	66,500	79,150	(12,650)
Highway 101 Corridor North	140,900	56,240	108,300	122,580	(14,280)
Peninsula Corridor	82,500	40,050	124,000	174,260	(50,260)
Silicon Valley North Corridor	233,800	86,930	190,400	202,010	(11,610)
Silicon Valley South Corridor	27,600	10,920	18,700	28,990	(10,290)
Region	1,096,300	401,570	900,300	999,360	(99,060)

Source: December 1999, ABAG *Projections 2000*

Existing land use policies that continue to expand job growth without commensurate household growth will force the labor supply to be imported from outside the nine-county Bay Area region. This places a strain on the region's economic health, as well as its transportation system. Increasing the region's housing stock, especially in areas closer to where jobs are produced, will help to sustain the economic prosperity the Bay Area has enjoyed for the past decade.

It is clear that ABAG's *Projections 2000* forecast identifies an employment growth for jurisdictions that far exceeds the necessary household growth available under existing residential land use policies. The cause of this trend relates directly to local land use policies and development practices that focuses attention on job producing uses without equal emphasis on housing production.

While it may be said that the tax and fiscal policies of the state hamper local governments' ability to support residential growth, continuing reliance upon the sales tax revenue generating activities that job growth induces will begin to stymie the very economic growth jurisdictions seek. If this trend continues without public policy intervention

that creates housing opportunities nearer to where jobs are being produced, the associated long-term impacts will have a severe impact on the region's economic health as well as the environment.

The region also faces an issue relating to the type of jobs being created and the incomes associated with those jobs. Increased job growth in sectors such as the retail and service industries typically do not command wages that match the housing costs associated with the housing market in several jurisdictions throughout the region. Workers in high tech industries, where wages are typically much higher, have driven the cost of housing up, far beyond the incomes of workers in the service and retail sectors. This issue, coupled with the severe deficit in housing production for the region, adds to the housing crisis.

Availability of Suitable Sites and Public Facilities

ABAG's *Projections 2000* forecast considers land available for residential development as well as its related infrastructure constraints. Data is collected on current land use and development policies of local governments prior to the development of ABAG's forecast. Local development policies include general and specific plans, local zoning practices, moratoriums related to sewer and water infrastructure constraints, building permit allocation measures and growth initiatives.

The data collected represents the supply of vacant and re-developable land available for future household and employment growth. The available land supply incorporates local policy information regarding where and when residential, commercial, industrial and institutional development activities could occur. The ABAG modeling system estimates how much of this available land will be needed to accommodate ABAG's growth projections. This data is also used to direct allocations of household and employment growth to smaller geographic areas.

**Table 3. Land Available for Development:
1995-2020 (1,000s of acres)**

Available Land Area by Type (Gross Acres)

County	Total Area	Available Total	Residential	Commercial Industrial	Percent Available
Alameda	473.3	35.4	22.2	12.8	7.5
Contra Costa	462.0	43.7	34.8	8.9	9.5
Marin	332.7	18.9	13.2	2.7	5.7
Napa	481.2	11.1	8.4	2.7	2.3
San Francisco	29.8	2.1	0.8	1.3	7.0
San Mateo	285.3	21.9	15.9	6.0	7.7
Santa Clara	825.8	33.9	23.7	9.6	4.1
Solano	533.0	33.6	19.0	14.6	6.3
Sonoma	1,013.4	69.9	67.5	2.4	6.9
Region	4,436.5	270.4	205.4	60.9	6.1

Source: ABAG Local Development Policy Survey database

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The land available for residential development is mainly vacant, but includes some developed land with potential for reuse. Although ABAG's local policy survey database uses a minimum density of one unit per ten acres, residential densities are typically at least one unit per five acres. Lower density rural residential areas are found mainly in Marin, San Mateo and Sonoma Counties. Some land is designated "mixed use," permitting a combination of uses such as commercial on the ground floor with residential above.

The available acres identified represent a conservative estimate of the actual land supply. ABAG's database underestimates the potential for the reuse or intensification of developed land. The underestimation applies especially to primarily urbanized communities, including San Francisco, Oakland, and San Jose.

Table 4 compares development potential with projected household growth in the region. It illustrates that ABAG's forecast, especially for residential development, could be constrained by the supply of land available under current land use patterns and zoning regulations.

However, an opinion issued by the California Attorney General's office in 1987 suggests that "...The availability of suitable housing sites must be considered based not only upon the *existing* zoning ordinances and land use restrictions of the locality but also based upon the *potential* for increased residential development under *alternative zoning ordinances* and land use restrictions [emphasis added]." The opinion also states that "...current zoning ordinances and land use restrictions [may not] limit the availability of suitable sites." It further states that "The planning process contemplates an identification of adequate sites that could be made available through different policies and development standards."

While ABAG's regional forecast may exceed the residential development capacity of existing plans, State Housing Element Law encourages jurisdictions to develop alternative land use policies, such as increasing densities in already urbanized areas, that could accommodate the additional growth determined by the RHND process.

"...The availability of suitable housing sites must be considered based not only upon the existing zoning ordinances and land use restrictions of the locality but also based upon the potential for increased residential development under alternative zoning ordinances and land use restrictions "

Table 4. Housing Unit Supply and Projected Household Growth: 1995-2020

County	Total Unconstrained Unit Potential	Projected New Households	Projected New Households
Alameda	84,590	88,250	(3,660)
Contra Costa	111,320	100,500	10,820
Marin	17,890	14,320	3,570
Napa	13,000	14,640	(1,640)
San Francisco	55,020	21,850	33,170
San Mateo	24,500	32,040	(7,540)
Santa Clara	90,850	126,030	(35,180)
Solano	55,990	57,480	(1,490)
Sonoma	50,200	54,830	(4,630)
Region	503,360	509,940	(6,580)

Source: ABAG Local Development Policy Survey database

State Housing Element Law encourages jurisdictions to develop alternative land use policies that could accommodate the additional growth determined by the RHND process

Commuting Patterns

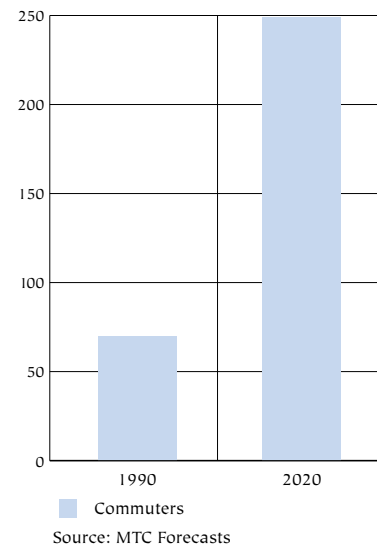
ABAG's forecast for household and employment growth considers commuting patterns as a function of residential and employment choices in its Projective Optimization Land Use Information System (POLIS) model. The model allocates households and employment by considering such factors as commuting flows by mode (automobile and transit) and incorporating several assumptions related to residential and employment choices. These interactions and assumptions are described fully in Appendix D, Overview of the *Projections Modeling System*.

The assumed additions or changes to transportation facilities and services were drawn from MTC's Regional Transportation Plan. The transportation network is incorporated at a regional level and does not include detailed information on local transportation changes and improvements. The highway and transit system assumptions are translated into estimates of peak period service levels by transportation facility mode. Level-of-service estimates are in turn translated into estimates of travel time between locations. These measures of accessibility become key factors in projecting housing as well as job locations.

In general, the effect of "commuting patterns" in the RHND process can be measured by comparing the differences between job growth and the availability of labor supply (households) within the region. As mentioned earlier, jurisdictions' employment growth far exceeds household growth that is available under existing residential land use policies. This is caused by local land use policies and development practices that focus on job producing uses without sufficient emphasis being placed on housing production. Thus, the necessary labor supply that is needed within the nine-county Bay Area region must be met by in-commuting workers.

According to MTC, many more Bay Area workers will live outside the Bay Area. San Joaquin and Sacramento counties both already contain major residential areas from which workers travel to large Bay Area employment centers such as the Silicon Valley and the Tri Valley cities which include San Ramon, Dublin and Pleasanton. In 1990, the average daily inter-regional vehicle miles traveled was 14,065. By 2020, this figure will grow to 30,201—an increase of 115 percent.

Figure 15. In-Commuting



Reducing the gap between employment and household growth may reduce the impacts associated with inter-regional commuting patterns. However, equal importance should also be placed upon the creation of jobs closer to residential areas. In part, the RHND allocations meet these goals by assigning more housing to jurisdictions that are planning increased employment growth, which creates more housing opportunities in areas close to job production. The RHND allocations also serve to reduce the impacts associated with increased housing market costs in areas of high employment growth, while providing an adequate labor supply to sustain the Bay Area's economy, and reduce the growth in long-distance commuting that affects air quality and other environmental resources.

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Type and Tenure of Housing

State law requires that the type of housing (i.e., single- and multiple-family and mobile homes) and tenure of housing (i.e., owner and renter), be considered when making the RHND allocations. The Bay Area's regional housing market is very diverse, thus making it extremely difficult to develop factors that can be used to equitably allocate housing need among the jurisdictions in the region within the required timeframe given to ABAG to perform the RHND distribution. However, consideration of these factors is essential to planning for the distribution of housing that will meet the needs each jurisdiction's residents. Therefore, this criterion of State Housing Element Law is best presented in each jurisdiction's updated housing elements, reflecting the needs of the local housing market more accurately.

The most up to date information related to type of housing can be obtained from the state DOF Population and Housing estimates contained in the E-5 report. The latest and most complete information related to tenure of housing can be obtained from the 1990 Federal Census. While Census 2000 was recently completed, the data representing the detailed analysis for housing characteristics (Summary File 3) will not be available until the summer of 2002—well after the December 31, 2001, due date for updated housing elements to be submitted to HCD.

Special Needs Housing

State Housing Element Law requires that the housing needs of homeless people, seniors, disabled individuals, female-headed households and farmworker households be considered when preparing the RHND determinations for the region. ABAG does not maintain data that represents an accurate assessment of the special needs population for each jurisdiction in the region.

Due to the limited time and resources available to prepare the RHND responsibilities for each city and county in the region, it was not feasible to conduct a region wide study to assess the housing needs of this portion of the population. While data describing the characteristics of the special needs population does exist for several jurisdictions in the region, access to data representing the breadth of the region's special needs population is unfortunately, unavailable on a region-wide basis. Furthermore, the data sets that are available cannot be applied equally in a methodology that seeks to fairly distribute each jurisdiction's fair share housing needs responsibilities. Therefore, it is impractical to include the limited data that is available in the RHND methodology to determine the specific special needs housing responsibilities for each city and county in the region.

Each city and county in the region has access to data and resources that can be used to identify the housing opportunities for the special needs population in their respective jurisdictions. Therefore, the analysis of special needs housing is best represented in each jurisdiction's housing elements. For the purposes of this RHND process, the housing needs of the region's special needs population is considered a part of the total RHND allocation assignment determined by ABAG. Each city and county in the region must identify a portion of its total RHND allocation assignment to meet the demand for housing of persons with special needs.

To assist local governments with this task, ABAG has released a document entitled *Blueprint 2001 for Bay Area Housing*, which contains a comprehensive list of programs, strategies and case study examples of successful projects that can be implemented at the local level to address the special housing needs of certain groups. *Blueprint 2001* suggests possible sources of data on persons with special housing needs, which local governments can use to update its general plan housing elements.

Existing and Projected Housing Needs

State law requires ABAG to consider the existing and projected housing needs for each jurisdiction in the region. In past regional housing needs studies, ABAG designed a methodology that separated existing need from total projected need. This methodology determined existing need by identifying a regional vacancy rate goal and then compared this figure with each jurisdiction's existing vacancy rate. The difference in housing units needed to meet the identified regional goal vacancy rate are considered "existing need."

HCD's determination of the housing need considers existing vacancy rates when calculating total projected need for the region. HCD's total projected need for the region is 230,743 housing units. ABAG's *Projections 2000* forecast identifies the potential for 185,823 housing units to be added during the RHND timeframe. The difference between these numbers (44,920) represents the existing need for the region. In an effort to simplify the RHND methodology, ABAG considers existing need to be a part of the total projected need assigned to the region by HCD. Each city and county in the region must identify a portion of its total projected need as existing housing needs for its residents in the update of their respective General Plan Housing Elements.

Affordable Rental Housing At Risk of Conversion

According to State Housing Element Law, cities and counties should identify all federal, state, and local subsidized housing in the community, note when the subsidies expire, and determine the cost of replacing that housing. The updated Statewide Housing Plan, prepared by HCD, lists 576 projects with a total of 41,588 units as "At Risk" of being converted from affordable housing stock reserved for primarily low-income families, to market-rate housing.

The expiration of housing subsidies in the Bay Area is a major threat to the limited supply of affordable housing available to low-income families and individuals.

ABAG has released *Blueprint 2001 for Bay Area Housing*, which contains a comprehensive listing of programs and strategies that local governments can implement to ensure the continued availability of affordable housing in the region. In addition, recent changes in State Housing Element Law make it possible for local governments to receive up to 25 percent credit towards meeting its housing needs responsibilities through the implementation of strategies and programs that extend the life of "At Risk" affordable housing.

Consideration of Income Levels

State law requires that ABAG consider the need for housing across the breadth of income levels in the region. The law defines this as "...the share of the housing needs of persons at all income levels within the area significantly affected by the jurisdiction's general plan." The law further requires that the distribution of housing needs "...seek to avoid further impactation of localities with relatively high proportions of lower income households." State law does not however define a method for accomplishing this task.

The most widely used definitions of income categories are those used by HUD to determine eligibility for federal housing assistance. Section 6932 of Title 25 of the California Administrative Code sets forth the income limits used by HCD, which are primarily based upon the HUD income limits.

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To determine each city and county's housing needs by income category, ABAG has used the HUD definitions of income categories, as defined below.

Income Categories

Very-low: Those households with income up to 50% of the county's area median income.

Low: Those households with income between 50 and 80% of the county's area median income.

Moderate: Those households with income between 80 and 120% of the county's area median income.

Above-moderate: Those households with income above 120% of the county's area median income.

ABAG used the 1989 income distribution of households for each city, county and the region, as reported by the 1990 Census. The income categories defined in Sections 6910-6932 of the California Administrative Code are used, in accordance with the interpretation of the California Attorney General's Opinion 87-206.

The 1990 Census reports a 1989 median household income for the region as \$41,595. Therefore, a household with an income of \$20,797 or less would be classified as very low. A household with an income from \$20,798 to \$33,276 would be classified as low income. A household with an income from \$33,277 to \$49,914 would be classified as moderate income. A household with an income greater than \$49,914 would be classified as above moderate. These income limits were used to estimate the proportion of households in each jurisdiction in the Bay Area in the four income categories.

For the region, 20.5 percent of the households are very-low income, 10.9 percent are low income, 26.4 percent are moderate income, and 42.3 percent are above-moderate income. ABAG, in making its determinations of housing need, has shifted each jurisdiction's 1990 income percentages, as determined by the Census, 50 percent towards the regional averages. This method promotes an equitable distribution of housing opportunities for each income group within the Region. Furthermore, this method meets the goals of state law "...to seek to avoid further impaction" of existing localities with higher proportions of lower income households.

It is certainly true that over the past ten years, incomes in the region have risen substantially,. However, overall, most households in the region with an income that would place them in the above moderate income category still do not make enough money to afford the high housing cost's our region maintains.

The following pages illustrate the total 1999-2006 RHND allocations by income category for each city and county in the Bay Area.

Figure 16.

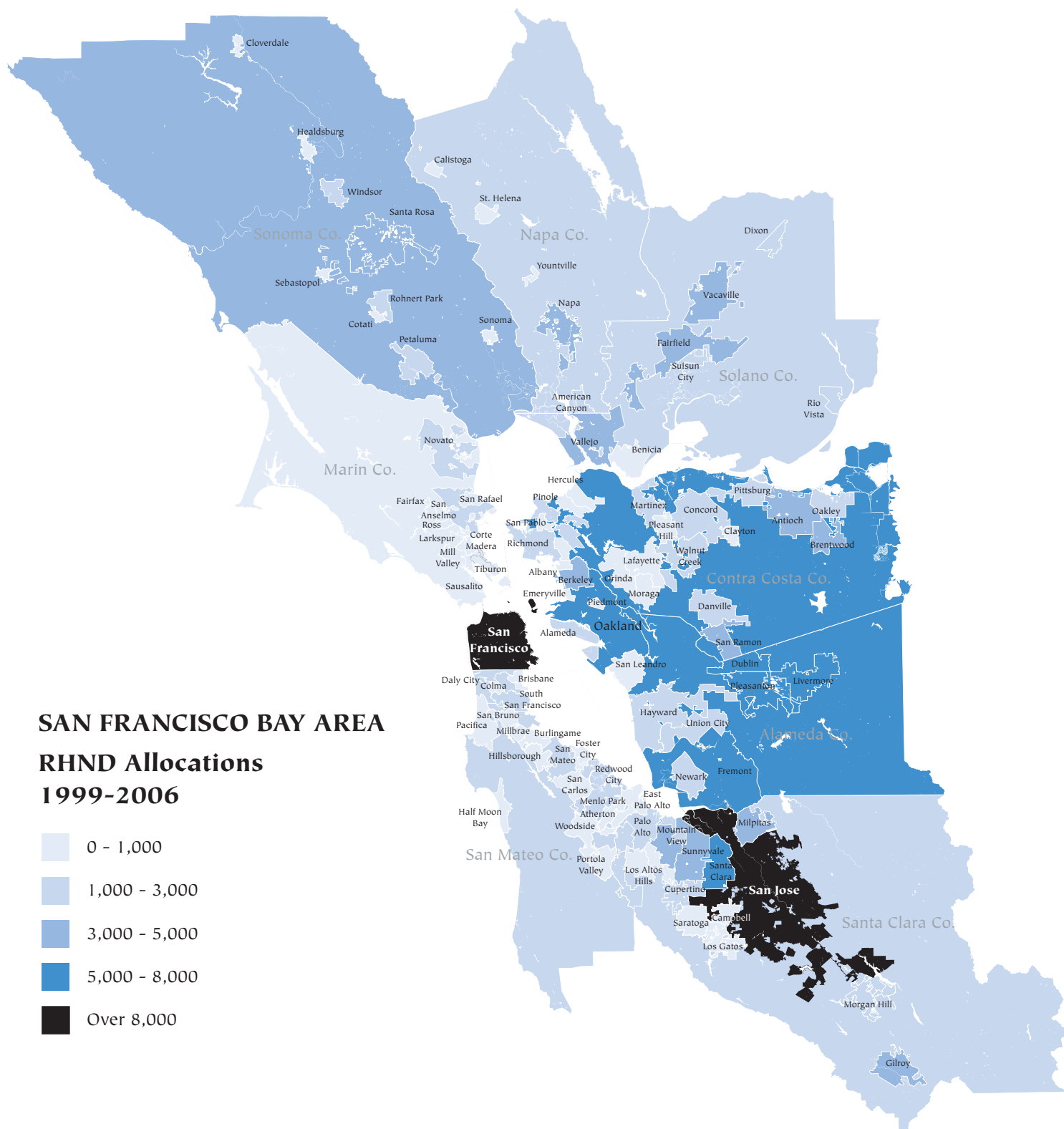


Table 5.

**RHND Allocations by Income Category
San Francisco Bay Area Region**

Jurisdiction	RHND Allocation	Very Low	Low	Moderate	Above Moderate
ALAMEDA COUNTY	46,793	9,910	5,138	12,476	19,269
CONTRA COSTA COUNTY	34,710	6,481	3,741	8,551	15,937
MARIN COUNTY	6,515	1,241	618	1,726	2,930
NAPA COUNTY	7,063	1,434	1,019	1,775	2,835
SAN FRANCISCO CITY/COUNTY	20,372	5,244	2,126	5,639	7,363
SAN MATEO COUNTY	16,305	3,214	1,567	4,305	7,219
SANTA CLARA COUNTY	57,991	11,496	5,209	15,870	25,416
SOLANO COUNTY	18,681	3,697	2,638	4,761	7,585
SONOMA COUNTY	22,313	4,411	3,029	5,879	8,994
REGIONAL TOTAL	230,743	47,128	25,085	60,982	97,548

Table 6.
RHND Allocations by Income Category
Alameda County and Cities

Jurisdiction	RHND Allocation	Very Low	Low	Moderate	Above Moderate
ALAMEDA	2,162	443	265	611	843
ALBANY	277	64	33	77	103
BERKELEY	1,269	354	150	310	455
DUBLIN	5,436	796	531	1,441	2,668
EMERYVILLE	777	178	95	226	278
FREMONT	6,708	1,079	636	1,814	3,179
HAYWARD	2,835	625	344	834	1,032
LIVERMORE	5,107	875	482	1,403	2,347
NEWARK	1,250	205	111	347	587
OAKLAND	7,733	2,238	969	1,959	2,567
PIEDMONT	49	6	4	10	29
PLEASANTON	5,059	729	455	1,239	2,636
SAN LEANDRO	870	195	107	251	317
UNION CITY	1,951	338	189	559	865
UNINCORPORATED	5,310	1,785	767	1,395	1,363
Total	46,793	9,910	5,138	12,476	19,269

Table 7.

**RHND Allocations by Income Category
Contra Costa County and Cities**

Jurisdiction	RHND Allocation	Very Low	Low	Moderate	Above Moderate
ANTIOCH	4,459	921	509	1,156	1,873
BRENTWOOD	4,073	906	476	958	1,733
CLAYTON	446	55	33	84	274
CONCORD	2,319	453	273	606	987
DANVILLE	1,110	140	88	216	666
EL CERRITO	185	37	23	48	77
HERCULES	792	101	62	195	434
LAFAYETTE	194	30	17	42	105
MARTINEZ	1,341	248	139	341	613
MORAGA	214	32	17	45	120
OAKLEY	1,208	209	125	321	553
ORINDA	221	31	18	43	129
PINOLE	288	48	35	74	131
PITTSBURG	2,513	534	296	696	987
PLEASANT HILL	714	129	79	175	331
RICHMOND	2,603	471	273	625	1,234
SAN PABLO	494	147	69	123	155
SAN RAMON	4,447	599	372	984	2,492
WALNUT CREEK	1,653	289	195	418	751
UNINCORPORATED	5,436	1,101	642	1,401	2,292
Total	34,710	6,481	3,741	8,551	15,937

Table 8.

**RHND Allocations by Income Category
Marin County and Cities**

Jurisdiction	RHND Allocation	Very Low	Low	Moderate	Above Moderate
BELVEDERE	10	1	1	2	6
CORTE MADERA	179	29	17	46	87
FAIRFAX	64	12	7	19	26
LARKSPUR	303	56	29	85	133
MILL VALLEY	225	40	21	56	108
NOVATO	2,582	476	242	734	1,130
ROSS	21	3	2	5	11
SAN ANSELMO	149	32	13	39	65
SAN RAFAEL	2,090	445	207	562	876
SAUSALITO	207	36	17	50	104
TIBURON	164	26	14	32	92
UNINCORPORATED	521	85	48	96	292
Total	6,515	1,241	618	1,726	2,930

Table 9.

**RHND Allocations by Income Category
Napa County and Cities**

Jurisdiction	RHND Allocation	Very Low	Low	Moderate	Above Moderate
AMERICAN CANYON	1,323	230	181	353	559
CALISTOGA	173	44	31	41	57
NAPA	3,369	703	500	859	1,307
ST. HELENA	142	31	20	36	55
YOUNTVILLE	87	21	15	20	31
UNINCORPORATED	1,969	405	272	466	826
Total	7,063	1,434	1,019	1,775	2,835

Table 10.

**RHND Allocations by Income Category
San Francisco City/ County**

Jurisdiction	RHND Allocation	Very Low	Low	Moderate	Above Moderate
SAN FRANCISCO	20,372	5,244	2,126	5,639	7,363

Table 11.

**RHND Allocations by Income Category
San Mateo County and Cities**

Jurisdiction	RHND Allocation	Very Low	Low	Moderate	Above Moderate
ATHERTON	166	22	10	27	107
BELMONT	317	57	30	80	150
BRISBANE	426	107	43	112	164
BURLINGAME	565	110	56	157	242
COLMA	74	17	8	21	28
DALY CITY	1,391	282	139	392	578
EAST PALO ALTO	1,282	358	148	349	427
FOSTER CITY	690	96	53	166	375
HALF MOON BAY	458	86	42	104	226
HILLSBOROUGH	84	11	5	14	54
MENLO PARK	982	184	90	245	463
MILLBRAE	343	67	32	90	154
PACIFICA	666	120	60	181	305
PORTOLA VALLEY	82	13	5	13	51
REDWOOD CITY	2,544	534	256	660	1,094
SAN BRUNO	378	72	39	110	157
SAN CARLOS	368	65	32	89	182
SAN MATEO	2,437	479	239	673	1,046
SOUTH SAN FRANCISCO	1,331	277	131	360	563
WOODSIDE	41	5	3	8	25
UNINCORPORATED	1,680	252	146	454	828
Total	16,305	3,214	1,567	4,305	7,219

Table 12.

**RHND Allocations by Income Category
Santa Clara County and Cities**

Jurisdiction	RHND Allocation	Very Low	Low	Moderate	Above Moderate
CAMPBELL	777	165	77	214	321
CUPERTINO	2,720	412	198	644	1,466
GILROY	3,746	906	334	1,030	1,476
LOS ALTOS	261	38	20	56	147
LOS ALTOS HILLS	83	10	5	15	53
LOS GATOS	402	72	35	97	198
MILPITAS	4,348	698	351	1,146	2,153
MONTE SERENO	76	10	5	13	48
MORGAN HILL	2,484	455	228	615	1,186
MOUNTAIN VIEW	3,423	698	331	991	1,403
PALO ALTO	1,397	265	116	343	673
SAN JOSE	26,114	5,337	2,364	7,086	11,327
SANTA CLARA	6,339	1,294	590	1,786	2,669
SARATOGA	539	75	36	108	320
SUNNYVALE	3,836	736	361	1,075	1,664
UNINCORPORATED	1,446	325	158	651	312
Total	57,991	11,496	5,209	15,870	25,416

Table 13.

**RHND Allocations by Income Category
Solano County and Cities**

Jurisdiction	RHND Allocation	Very Low	Low	Moderate	Above Moderate
BENICIA	413	70	49	90	204
DIXON	1,464	268	237	379	580
FAIRFIELD	3,812	761	573	972	1,506
RIO VISTA	1,391	357	190	342	502
SUISUN CITY	1,004	191	123	256	434
VACAVILLE	4,636	860	629	1,172	1,975
VALLEJO	3,242	690	474	779	1,299
UNINCORPORATED	2,719	500	363	771	1,085
Total	18,681	3,697	2,638	4,761	7,585

Table 14.

**RHND Allocations by Income Category
Sonoma County and Cities**

Jurisdiction	RHND Allocation	Very Low	Low	Moderate	Above Moderate
CLOVERDALE	423	95	51	128	149
COTATI	567	113	63	166	225
HEALDSBURG	573	112	78	171	212
PETALUMA	1,144	206	124	312	502
ROHNERT PARK	2,124	401	270	597	856
SANTA ROSA	7,654	1,539	970	2,120	3,025
SEBASTOPOL	274	58	35	75	106
SONOMA	684	146	90	188	260
WINDSOR	2,071	430	232	559	850
UNINCORPORATED	6,799	1,311	1,116	1,563	2,809
Total	22,313	4,411	3,029	5,879	8,994

B. Changes in State Housing Element Law Since 1989 RHND Process

The 1998-99 state fiscal budget reinstated the funding which supports the state mandated housing element update process in California. Cities and counties throughout California are once again required to update housing elements based upon the statewide housing goals established by HCD. Jurisdictions in the Bay Area region must update housing elements by December 31, 2001. Since ABAG's last RHND process, state legislators introduced legislation (Assembly Bill 438) that modified Housing Element law significantly.

Assembly Bill 438 (Torlakson, D-Antioch)

State Housing Element law requires city and county planning agencies to provide an annual report to the legislative body on its progress in meeting their share of the statewide housing goals, as determined by the RHND process. A report must be provided to the legislative body, on or before July 1 of each year, using forms and definitions adopted by HCD pursuant to the Administrative Procedure Act. Assembly Bill 438 requires this annual report to also be provided to the Office of Planning and Research as well as HCD.

Assembly Bill 438 sets forth a process that allows each COG to provide a sub-region with its share of the regional housing need. COGs can delegate the responsibility of determining RHND allocations for cities and counties within a sub-region according to a prescribed agreement established between the COG and sub-regional entity.

The most significant change introduced by Assembly Bill 438 addresses concerns raised by cities and counties which suggests that State Housing Element Law focuses too narrowly on construction of new housing units by not considering the rehabilitation of substandard housing units, and efforts to make market rate housing affordable to low income households, as contributing to housing goals established by state law.

Assembly Bill 438 established a procedure that allows a city or county to receive credit for up to 25 percent of its RHND allocation assignments by (1) rehabilitating existing substandard units, (2) purchasing affordability covenants to "buy down" market rate units for the benefit of low-income households, or (3) preserving the affordability of subsidized units at risk of conversion to market-rate status due to the expiration or termination of subsidy contracts. This bill established specific rules and guidelines that must be followed by cities and counties in order for credit to be rewarded. See Appendix C, Assembly Bill 438 (Torlakson, D-Antioch).

C. Methodology Explanation

This section explains ABAG's RHND methodology. It includes a description of the components used in the methodology to distribute the state identified housing need.

ABAG's RHND Methodology

The ABAG Executive Board established an advisory committee—Housing Methodology Committee—to develop the RHND methodology. This committee's primary purpose was to develop an appropriate methodology that both incorporates the planning considerations established in State Housing Element Law, and seeks to fairly distribute the State assigned Regional Housing Needs Allocation to cities and counties in the ABAG region. To accomplish this task, the committee established a set of goals that the methodology should address, as described below.

Methodology Goals

- One:** Growth should be based upon current city boundaries, as opposed to sphere of influence boundaries, when determining RHND allocations
- Two:** Address over and under-concentration of low income housing throughout the region
- Three:** Use the most recent, available, and up to date data source for total number of households in 1999 (1999 DOF E-5 report)
- Four:** Use *Projections 2000* to determine growth
- Five:** Address State Housing Element Law requirements
- Six:** Incorporate ABAG's "Smart Growth" policies
- Seven:** Methodology calculation should be simple, easy to understand and explain

Executive Board Policy Directives

The ABAG Executive Board issued several policy directives in order to ensure that the goals identified by the Housing Methodology Committee were implemented in the RHND methodology. These directives are identified below.

Policy Directives

- One:** Incorporate a 50% jobs/ 50% household weighted ratio in the RHND methodology to address the jobs/ housing issues in the region.
- Two:** Assign 75 % of the unincorporated SOI allocations to the cities, and 25 % to the counties in order to promote development in urbanized areas rather than on unincorporated lands.
- Three:** Establish guidelines that allow jurisdictions to re-distribute the RHND allocations on a county-wide basis during the 90-day Review and Revision Period.

Methodology Components

To address these goals and directives, the RHND methodology was based upon each jurisdiction's share of regional household and employment growth. This growth is based upon each jurisdiction's current city boundaries. The combination of regional shares of household and employment growth were applied in a methodology calculation that assigns housing need based upon the share of the proportional amount of household and employment growth each jurisdiction would have during the 1999-2006 RHND time frame.

ABAG's RHND methodology is comprised of five components; (1) Household growth, (2) Employment growth, (3) Employment (Jobs)/ household ratio adjustment, (4) Sphere of Influence allocations adjustment, (5) Income Distribution calculation. A detailed description of the RHND methodology and its components is discussed on the following pages.

Chapter 11

ABAG has developed a methodology that considers household and employment growth as determinants for assigning each jurisdiction its RHND allocations. To determine the first component of the methodology (household growth), the methodology uses two primary sources of data, (1) DOF estimate of households in 1999, and (2) ABAG's forecast of households in 2006.

The DOF estimate of households in 1999 reflects the most recent, available, and up to date data source for total number of households in 1999 for the Bay Area region. ABAG's *Projections 2000* document contains a forecast of households for 2006. The methodology uses the DOF estimate of households in 1999 as a baseline starting point and ABAG's forecast of household in 2006 to determine growth during the 1999-2006 time period. The second component used in the methodology (employment growth) is based solely upon ABAG's *Projections 2000* forecast of employment within the Bay Area region.

ABAG's forecast of employment and household growth includes assumptions associated with demographic changes, the availability of housing (supply), personal income, rising housing prices, labor force participation rates, productivity of the workforce, interest rates and other economic indicators such as the Gross Regional Product. For a more detailed discussion of ABAG's forecast process and assumptions, refer to Appendix E.

Methodology Calculation

ABAG's allocation of housing need for each jurisdiction is based upon forecasts of household and employment growth for current city boundaries between 1999-2006. Each jurisdiction's share of regional household and employment growth is applied to ABAG's share of the statewide housing unit goals (230,743) determined by the Department of Housing and Community Development.

The calculation includes the following five components.

1. **Household growth:** Determine jurisdiction's share of regional household growth.
2. **Employment growth:** Determine jurisdiction's share of regional employment growth.
3. **Jobs/housing ratio adjustment:** Input shares of growth in an allocation formula that is applied to the regional housing need number (230,743).
4. **Unincorporated Sphere of Influence allocations adjustment:** Determine the RHND allocation for the unincorporated SOI boundary of each city, then distribute this portion of the RHND allocation, 75% to the cities, and the remaining 25% to the counties.
5. **Income Distribution component:** Divide the total projected need by income category (Very-low, Low, Moderate, Above-moderate).

1. Household Growth Component

The first component of the RHND methodology involves the determination of each jurisdiction's share of household growth in the region. For the purposes of the RHND methodology, household growth is determined by subtracting the DOF estimate of households in 1999 from ABAG's forecast of households in 2006. This household growth is then divided into the total regional household growth, which derives that jurisdiction's share of regional household growth. See Figure 17 below.

Figure 17. Determination of Household Growth

Households 2006		Households 1999		Household Growth		Regional Household Growth
HH2006*	minus	HH1999**	equals	HHG		RHHG***
$\frac{HHG}{RHHG} = \text{Share of Regional Household Growth (SHHG)}$						
* ABAG Projections 2000						
** DOF-January 1999 E-5 Report						
*** Regional sum total of jurisdictions household growth						

2. Employment Growth Component

The second component of the RHND methodology involves the determination of each jurisdiction's share of employment growth in the region. Employment growth is determined by subtracting ABAG's estimate of employment in 1999 from the 2006 forecast. The jurisdiction's regional share of employment growth is determined by the same method as the regional share of household growth. See Figure 18 below.

Figure 18. Determination of Employment Growth

Employment 2006	Employment 1999	Employment Growth	Regional Employment Growth
Jobs2006*	minus Jobs1999*	equals JG	RJG***
$\frac{JG}{RJG} = \frac{\text{Share of Regional Employment Growth}}{(SRJG)}$			
* ABAG Projections 2000 forecast			
*** Sum total of all jurisdictions household growth			

3. Employment (Job)/ Household Ratio Adjustment Component (Allocation Formula)

The third component determines each jurisdiction's share of the region wide RHND allocation based upon each jurisdiction's ratio of employment (jobs)/ household growth. Each jurisdiction's share of regional household and employment growth are input into a formula which combines these percentages into a ratio of employment per household which is then applied to the region wide RHND figure (230,743) to determine the jurisdiction's share of the region wide RHND allocation. See Figure 19 below.

Figure 19. Determine the RHND Allocation (Based upon Current City Boundaries)

Share of Job Growth	Weight Factor	Share of Household Growth	Weight Factor	HCD Regional Need	Jurisdiction Need	Uninc. SOI Need (See Step 4.)	Total Projected Need
(SRJG %)	x 0.5	+ SHHG %	x 0.5	x 230,743	= Jneed	+ usoneed	= Tneed

4. Sphere of Influence Allocations Adjustment Component

The RHND allocations are based upon current city boundaries, excluding those areas in the city's sphere of influence (SOI), outside the current city boundaries. The unincorporated areas of each county have received a RHND allocation which includes those portions of a city's unincorporated sphere of influence, in addition to those areas outside each city's SOI. This method assigns the county unincorporated, mainly non-urbanized areas an RHND allocation that includes part of the growth that is being planned by the cities.

In recognition of ABAG's "Smart Growth" policies which seek to promote development in already urbanized areas, the RHND allocation associated with growth in the unincorporated portions of each city's SOI has been divided among the cities and counties. The amount of housing need associated with the growth in the SOI areas has been calculated, and the subtracted from the unincorporated portions of each jurisdictions. Each city is assigned 75 percent of this portion of the RHND allocation, with the remaining 25 percent being assigned to each county. See Figure 19 below.

Chapter 11

The calculation of the RHND allocation attributed to the growth in the unincorporated SOI areas is determined by first separating the geographic areas of growth in the region into three distinct categories. Those categories are as follows:

1. Incorporated areas (inside city jurisdictional boundaries),
2. Unincorporated areas within a county's jurisdictional boundaries and outside any city's jurisdictional boundaries or SOI, jurisdictional boundaries but within its SOI.
3. Unincorporated areas outside a city's jurisdictional boundaries but within its SOI.

The RHND methodology calculation assigns the unincorporated county areas an allocation that includes categories 2 and 3. In order to separate the RHND allocation for these categories, a separate RHND methodology calculation must be performed using the Local Area Formulation Committee (LAFCO) approved SOI boundaries.

ABAG's *Projections 2000* contains a forecast of growth for jurisdictions by city boundary as well as sub-regional study areas (SSA)—equivalent to each jurisdiction's SOI boundary. However, the DOF E-5 report estimate of occupied households in 1999 does not contain estimates for SOI areas.

In order to perform the RHND methodology calculation using the DOF baseline estimate of households in 1999, it is necessary to determine the number of units attributed to the SOI areas in the DOF estimates. This is accomplished by comparing the DOF estimate with the ABAG forecast by SSA. Figure 20 illustrates how the comparison is performed.

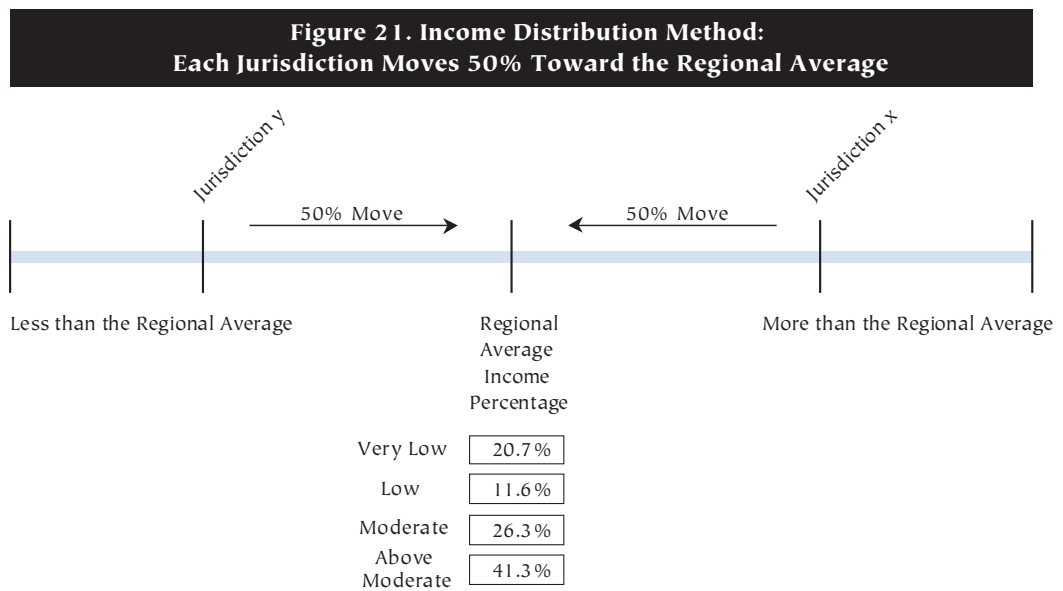
Substituting the ABAG sub-regional study area figure and the interpolated DOF baseline figure in the RHND methodology, results in a RHND allocation based upon adopted LAFCO SOI boundaries. The difference of the combined RHND methodology calculations for the current city boundary and LAFCO approved SOI boundaries, determines the RHND allocation associated with the unincorporated SOI areas. See Figure 19, Page 43.

Figure 20. DOF- SOI Determination Formula

$$\text{Interpolated DOF baseline figure representing the SOI} = \text{DOF 1999 baseline figure} + \left(\text{ABAG forecast for sub-regional study areas (SOI)} - \text{ABAG forecast for current city boundaries} \right)$$

5. Income Distribution Component

According to government code, ABAG is required to distribute the total RHND allocation for each jurisdiction by income category (Very-low, Low, Moderate, Above-moderate). Furthermore, ABAG must "...seek to reduce the concentration of lower income households in cities or counties which already have disproportionately high proportions of low income households." ABAG's methodology accomplishes this by shifting each jurisdiction's income distribution as determined by the 1990 Census 50 percent towards the regional average. The distance of each jurisdiction's existing income percentage from the regional average will determine the amount of adjustment applied. See Figure 21 below.



D. Local Government Review Process

State Housing Element Law establishes a process and schedule for local governments to review the preliminary housing needs determinations made by ABAG, and recommend revisions where appropriate. The review process involves four steps, as follows:

1. Initial determination of preliminary Housing Needs allocations by ABAG.
2. Local review and revision of preliminary Housing Needs allocations.
3. ABAG action on proposed revisions and adoption of final Housing Needs allocations.
4. Opportunity for local government to appeal the final determination of Housing Needs allocations.

Initial Determination of Preliminary Housing Allocations

On June 1, 2000, ABAG released the preliminary RHND allocations for each jurisdiction in the Bay Area. This action initiated the required 90-day review and revision period, which allows jurisdictions to comment, and/or propose revisions to the preliminary RHND allocations.

Review and Revision Period

Bay Area jurisdictions had until August 31, 2000, to submit in writing any proposed revision to the preliminary RHND allocation assignment according to guidelines defined in Government Code, section 65584(a). Proposed revisions must be based upon available data and an accepted planning methodology, as well as be supported by adequate documentation that includes an analysis of the factors and circumstances, which justify revising the preliminary RHND allocations.

ABAG Action on Proposed Revisions

After the 90-day Review and Revision period, ABAG has 60 days to respond to each jurisdiction's comments and/or proposed revisions. ABAG is required to accept any proposed revisions that meet the criteria defined in Housing Element Law that would warrant a revision, and modify the earlier determination of housing need. If the proposed revision does not meet Housing Element Law criteria, ABAG must indicate, based upon available data and the accepted planning methodology, why the proposed revision is inconsistent with the earlier determination of housing need.

By October 30, 2000, ABAG responded to those jurisdictions that requested modifications to the RHND allocations. 77 Bay Area jurisdictions responded to the preliminary RHND allocations. From this group, 29 jurisdictions requested revisions to their RHND allocation assignment.

Appendix G contains the Revision Guidelines, Criteria and Definitions used by ABAG to review proposed revisions made by Bay Area jurisdictions. Appendix H contains a table that summarizes each jurisdiction's proposed revision and ABAG staff's recommended action.

Appeal Process

On November 16, 2000, the ABAG Executive Board adopted the final Housing Needs Determinations for Bay Area jurisdictions. This action initiated an appeals process, as required by State Housing Element Law. The appeal process allows for jurisdictions to appeal their share of the RHND allocations, in writing, within 30 days of the final determination by the council of governments (ABAG).

Ten jurisdictions appealed the final determination of housing need by ABAG. The ABAG Executive Board appointed a special committee to hear and decide the outcome of these appeals. The following paragraph describes the criteria used by ABAG to evaluate each appeal.

Appeal Process Guidelines and Criteria

Government code, section 65584 subdivision (c) para. 2 subpara. (A)), states that a jurisdiction shall have the right to at least one appeal following the final approval of the housing need determinations for the region by the ABAG Executive Board. Any appeal made must be based upon the same state identified criteria as used in the Review and Revision process. In addition, ABAG identified the following criteria and guidelines to be included in the Appeal Process:

- Each jurisdiction in the ABAG region will be given one opportunity to appeal the decision by the Executive Board.
- The jurisdiction that is appealing shall identify another recipient (other jurisdiction(s)) willing to incorporate any proposed reduction in housing need.
- Any revision of housing need will be accomplished within the same county as the appealing jurisdiction.
- Previous available information not raised during the 90-day Review and Revision period cannot be presented during the appeals process.

Appeal Hearings

On January 25, 2001, the Appeal Committee met and decided the outcome of all appeals. Appendix I contains a summary of each jurisdiction's appeal and the Appeal Committee's resolution, deciding the outcome of each appeal.

The Appeal Committee denied eight jurisdiction appeals, and approved two revisions to the RHND allocations (City of Alameda, City of Richmond). See Appendix I. The Appeal Committee's actions were forwarded to the Executive Board for final approval and certification at the Board's March 15, 2001 meeting.

The Executive Board reviewed the Appeal Committee decisions regarding each appeal, and voted to accept all of the Committee's actions with the exception of the revision to the City of Alameda's RHND allocations. The Executive Board approved a resolution, certifying the final RHND allocations. This action finalized the 1999-2006 Regional Housing Needs Determination process.

E. RHND Policies and Guidelines

California state law allows ABAG to adopt policies and guidelines that govern the transfer and/or redistribution of RHND allocations, between city and county jurisdictions, when annexation or incorporation of new jurisdictions occurs during the RHND planning timeframe. The following policy establishes the conditions and process for any such redistribution:

Step 1. Filing of Application for Annexation or Incorporation

Upon receipt of notice of filing from LAFCO for a proposed annexation or incorporation, the city and county will jointly notify ABAG of the proposal, and resulting need for a redistribution of RHND allocations between the county and applicant jurisdiction.

Step 2. Discussion with Annexing/Incorporating City

During the course of the annexation/incorporation process, the city and county will negotiate in good faith the number of RHND allocations to be redistributed. The transfer of RHND allocations will be based upon the geographic area that is proposed to be annexed/incorporated. No net reduction in the RHND allocations between the county and the applicant jurisdiction is allowed.

This means that the total number of housing units by income category accepted by the applicant jurisdiction, plus the remaining number of units by income category attributable to the donor county, shall not be less than the original number of units by income category allocated to the county by the RHND process. Other than satisfying this requirement, the county and annexing/incorporating city may negotiate any redistribution of housing need that is mutually acceptable.

If necessary, ABAG can be consulted jointly by the city and county involved in the annexation/incorporation process. ABAG will use the approved RHND methodology to determine the total RHND allocations (by income category) that are applicable to the geographic area being annexed/incorporated. The annexation agreement will reflect this determination as a minimum RHND allocation assignment.

Step 3. Annexation/Incorporation Conditions

The city and county involved in the annexation/incorporation will jointly draft a proposal outlining the conditions and/or agreements covering the transfer of RHND allocations from the county to the annexing/incorporating city. This proposal shall be submitted to ABAG for review and acceptance prior to its final adoption by the jurisdictions involved in the transfer of RHND allocations. Once ABAG has accepted the proposal, the county will request that the RHND allocation conditions/agreements be included in the LAFCO resolution approving the annexation/incorporation.

Step 4. LAFCO Imposition of Conditions

LAFCO imposes the proposed RHND conditions in the resolution approving the annexation/incorporation.

Step 5. Transfer of RHND Allocations

RHND allocations will be transferred from the county to the city as specified in the LAFCO resolution.

Step 6. Housing Elements**6a. County Housing Element**

The county's housing element should describe assumptions, conditions and implications of any change in RHND allocations resulting from the annexation/incorporation. Following the effective date of an approved annexation/incorporation, the county may amend its housing element to reflect the change in RHND allocations.

6b. City Housing Element Amendment (annexation)

If the annexation and accompanying redistribution of RHND allocations between affected jurisdictions occurs after the statutory housing element amendments have been adopted, any city general plan amendment accompanying an annexation should include amendment of the city's housing element to reflect that change.

OR

6c. City Housing Element (incorporation)

If the incorporation and accompanying redistribution of RHND allocations between affected jurisdictions occurs after the statutory housing element amendments have been adopted, the new city will include the RHND allocation transfer into the housing element adopted for the newly incorporated city.

**Step 7.
State HCD Review**

Transfer of RHND allocations for incorporations or annexations pursuant to this policy is subject to the review and approval of HCD for consistency with the approved RHND Plan prior to the implementing action.



Appendix A

Correspondence with Department of Housing and Community Development

***Regional Housing Needs Determination
Association of Bay Area Governments***

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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September 30, 1998

MEMORANDUM FOR: Planning Directors and Interested Parties

FROM: *Cathy E. Creswell*
Cathy E. Creswell, Acting Deputy Director
Division of Housing Policy Development

SUBJECT: Housing Element Preparation and Update Schedule

As you may know, as a result of the State Budget Act, certain housing element requirements including the preparation of the regional housing needs allocation, have been suspended for the last few years. I am pleased to announce, that funding for these requirements has been included in the current State Budget. This will allow the housing element update cycle, which has been extended several times in the last few years, to begin again, including the preparation of regional housing need allocations. However, in order to provide sufficient time for Councils of Governments (COGs) to prepare these allocations, the Governor recently signed SB 256 (Chapter 819, Statutes of 1998), granting one final extension. We have attached an updated schedule for your convenience.

We look forward to beginning the next housing element update cycle. The timing for the next update is critical to ensuring the continuation of California's economic recovery. Adequate local planning to house workers for needed jobs will ensure that local governments benefit from and can assist in sustaining the current economic expansion. In addition, housing needs in California have grown significantly in the last ten years. Overcrowding rates have doubled, cost burdens have increased significantly with nearly two-thirds of all low-income renters paying more than 30 percent of their income for housing, and California's homeownership rate continues to be among the lowest in the country. Housing elements are a critical tool to address these and other important community and economic development issues.

The Department also looks forward to fully implementing the housing element preparation and review streamlining reforms adopted in the last year. In consultation with local planners, the Department has developed numerous administrative reforms designed to streamline and improve the effectiveness of the housing element process. We are confident these reforms will facilitate the preparation of housing element and significantly reduce the time and cost involved for local governments. Workshops and

Planning Directors and Interested Parties

Page 2

training for the next housing element update cycle are currently being planned and will begin for local governments within the Southern California Association of Governments (SCAG) region by late spring 1999.

The Department remains committed to working in partnership with local governments to meet important housing needs. We recognize local governments must grapple with a variety of competing needs and issues. The Department will work cooperatively with local governments to ensure that critical housing issues can be effectively addressed in a manner most appropriate to each community's unique needs and circumstances. If you have any questions or comments about updating your housing element or the new schedule, please feel free to contact the Division at (916) 445-4728.

Attachment

Revised Housing Element Update Schedule

Regional Jurisdictions	Next Revision Date
San Diego Association of Governments: San Diego County and all cities within the County	June 30, 1999
Southern California Association of Governments (SCAG): Counties of Imperial, Los Angeles, Orange, Riverside, San Bernardino, Ventura, and all cities within each County.	June 30, 2000
Association of Bay Area Governments (ABAG): Counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, Sonoma, and all cities within the County.	June 30, 2001
Association of Monterey Bay Area Governments (AMBAG): Counties of Monterey, Santa Cruz, and all cities within each County.	June 30, 2002
Council of Fresno County Governments: Fresno County and all cities within the County.	
Kern County Council of Governments: Kern County and all cities within the County.	
Sacramento Area Council of Governments (SACOG): Counties of Placer, Sacramento, Sutter, Yolo, Yuba, and all cities within each County. The Cities of Lincoln, Rocklin, and Roseville.	
All Other Local Governments: Counties of Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Inyo, Kings, Lake Lassen, Madera, Mariposa, Mendocino, Merced, Modoc, Mono, Nevada, Placer (unincorporated County and cities of Auburn and Colfax), Plumas, San Benito, San Joaquin, San Luis Obispo, Santa Barbara, Shasta, Sierra, Siskiyou, Stanislaus, Tehama, Trinity, Tulare, Tuolumne and all cities within each County.	June 30, 2003

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**OFFICE OF THE DIRECTOR**

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October 26, 1998

MEMORANDUM FOR: Planning Directors and Other Interested Parties**FROM:**Richard E. Mallory, Director
Richard E. Mallory
Department of Housing and Community Development**SUBJECT:****Housing Element Legislation Effective January 1, 1999**

We are pleased to announce that Governor Wilson recently signed Assembly Bill 438 (Chapter 796, Statutes of 1998) to improve the effectiveness of State housing element law, including revisions to provide greater flexibility in meeting the adequate sites requirement. Chapter 796 is the result of a collaborative effort among varied interest groups, including local governments, planners, builders, and housing advocates. HCD was pleased to support this effort and is committed to continuing to work with all interested parties to improve the effectiveness of housing element law in promoting housing opportunities for all Californians.

The attached information is provided to assist in evaluating how these new provisions of law effect your communities. You may obtain copies of published bills from the 1998 session of the Legislature (the first copies at no charge) from the Legislative Bill Room at (916) 445-2323, or from the Assembly's web site at: www.assembly.ca.gov. If you have any questions or would like additional information on housing element requirements, please contact the Division at (916) 445-4728 or via the Department's web site at: housing.hcd.ca.gov.

Attachment

CHAPTER 796
(Statutes of 1998)

**PROVISIONS TO PROVIDE FLEXIBILITY IN
IDENTIFYING ADEQUATE SITES**

Housing element law requires an identification of sites to facilitate the development of housing commensurate with the jurisdiction's share of the regional housing need for all income levels. Where sufficient sites have not been identified, the element must include a program to provide the necessary sites. Chapter 796, by adding Government Code Section 65583.1(c), provides alternative program options to address the adequate sites requirement. Specifically, local governments may meet up to 25 percent of their site requirement by substituting existing units which will be made available or preserved through the provision of committed assistance to low- and very-low-income households at affordable housing costs or affordable rents. To use this provision of the law, *the housing element must include a program to do all of the following:*

- ☐ Identify the specific, existing source of funds to be used to provide committed assistance and dedicate a portion of the funds for this purpose.
- ☐ Describe the number of units to be provided for low- and very low-income households and demonstrate that the amount of funds dedicated is sufficient to provide the units at affordable costs or rent.

Only units to be substantially rehabilitated, converted from nonaffordable to affordable by acquisition of the units or the purchase of affordability covenants, or preserved at affordable housing costs by the acquisition of the units or purchase of affordability covenants are eligible, and must be identified in the program description. Only units that meet the following requirements would qualify:

- **Units to be substantially rehabilitated with committed assistance and that result in a net increase in the stock of housing affordable to low- and very low-income households.** Units must also meet the following requirements to be considered eligible: The unit is at imminent risk of loss to the housing stock, relocation assistance will be provided to any occupants temporarily or permanently displaced and the local government must require that any displaced occupant will have the right to reoccupy the rehabilitated units, and the units have been found by the code enforcement agency or a court to be unfit for human habitation and vacated or subject to being vacated for at least 120 days because of the existence of at least four of the following conditions (Health and Safety Code Section 17995.3):
 - ✓ Termination, extended interruption or serious defects of gas, water or electric utility systems provided such interruption or termination is not caused by the tenant's failure to pay such gas, water or electric bills.
 - ✓ Serious defects or lack of adequate space and water heating.
 - ✓ Serious rodent, vermin or insect infestation.

- ✓ Severe deterioration, rendering significant portions of the structure unsafe or unsanitary.
- ✓ Inadequate numbers of garbage receptacles or service.
- ✓ Unsanitary conditions affecting a significant portion of the structure as a result of faulty plumbing or sewage disposal.
- ✓ Inoperable hallway lighting.

The rehabilitated units must have long-term affordability covenants and restrictions requiring the units to be available to, and occupied by low- or very-low-income households for at least 20 years or the time required by any applicable federal or state law or regulation.

- **Multifamily units in a rental complex of 16 or more units that are converted from nonaffordable to affordable with committed assistance by acquisition of the unit or the purchase of affordability covenants and restrictions** provided the units are not acquired by eminent domain and provide a net increase in the stock of housing affordable to low- and very low-income households.

To qualify for this requirement the units must be made available at affordable housing costs, the units are not currently occupied by low- or very low-income households, the units are in decent, safe and sanitary conditions when occupied, and the acquisition price is not greater than 120 percent of the median price for housing units in the city or county, and the units will have long-term affordability covenants for not less than 30 years.

- **Units that will be preserved at affordable housing costs to low- or very low-income households with committed assistance from the local government by acquisition of the unit or the purchase of affordability covenants for the units.** Preserved units must have long-term affordability covenants and restrictions for at least 40 years, the units must have received governmental assistance under specified programs, the local government must find, after a public hearing that the unit is eligible and is reasonably expected to convert to non low-income uses, and the units must be decent, safe and sanitary. At the time the units are identified for preservation, they must be available at affordable costs to persons and families of low or very low income.

Generally, units may be substituted one for one. Exceptions include substantially rehabilitated units that have affordability covenants and restrictions of less than 20 years. These units may be substituted at the rate of three units for one. No credit is provided for units with less than 10-year affordability restrictions.

“Committed assistance” is defined as when a local government has entered into a legally enforceable agreement during the first two years of the housing element planning period that obligates sufficient available funds to provide the assistance necessary to make the identified units affordable and that the units be made available for occupancy within two years of the execution of the agreement.

“Net increase” means only those units that were not provided committed assistance in the immediately prior planning period.

Chapter 796 also requires jurisdictions to document the status of their committed assistance program by the third year of the planning period in the annual report on general plan program implementation. The report should identify the specific units for which committed assistance has been provided or which have been made available to low- and very low-income households and indicate how each unit complies with the applicable requirements. If this report indicates that the jurisdiction has not entered into an enforceable agreement of committed assistance for all the units initially identified, the local government must adopt an amendment to its housing element, by July 1st of the fourth year in the planning period, identifying additional adequate sites sufficient to accommodate the number of units for which committed assistance was not provided.

Jurisdictions which do not amend their element to include adequate sites, or which do not complete rehabilitation, acquisition, purchase of affordability covenants, or the preservation of identified units within two years after the committed assistance was provided will be prohibited from identifying substitute units in the next regular housing element update above the number of units actually provided or preserved with committed assistance.

Only those local governments (during the current or immediately prior planning period) that have met some of their share of the regional need for housing affordable to households with low- and very low-income may use this provision of housing element law. Documentation of having met this need includes issuance of a building permit and payment of all development and permit fees, or the unit is eligible to be lawfully occupied.

REGIONAL HOUSING NEEDS ALLOCATION

Chapter 796 also amends Section 65584 to facilitate sub-regional planning. It allows councils of governments to provide sub-regions with their share of the regional housing need, and delegate the responsibility for allocating the housing need to jurisdictions in the sub-region. This delegation of responsibility may occur where the county and all of the cities in the county request the delegation, a joint powers authority is established, or the governing body of a sub-regional agency and the council of governments enter into an agreement which sets forth the process, timing, and other terms and conditions of the delegated authority.

The amendment also requires HCD to consider regional population forecasts used in preparing regional transportation plans, in addition to Department of Finance population projections, when determining the regional share of the statewide housing need.

ANNUAL REPORTING

Local governments are required to provide annual reports on the status of implementation of the general plan (Government Code Section 65400) to the local governing body. Chapter 796 reinstates the requirement that these reports also be submitted to the Governor's Office of Planning and Research and the Department of Housing and Community Development on or before July 1 of each year. (This requirement had previously been inadvertently amended out of the law.).

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
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June 3, 1999

To: Alex Amoroso, ABAG
From: Linda Wheaton *LW*
Subject: Response to Request for Definitions

Attached are the applicable definitions for a housing unit and for group quarters from the U.S. Census Bureau. These are the same definitions used by DOF, and thus, by HCD. For post-Census estimates of housing units and group quarters, DOF uses what the City reports to them or the Census Bureau (in their annual reporting on occupancy certificates issued). Cities are supposed to report consistent with Census Bureau definitions. If the City reports a new senior housing development as group quarters, then DOF would not count it as housing (units), nor would HCD credit it as housing (units). DOF has no plan to seek modification of the definition of a housing unit from the U.S. Census Bureau.

I hope this material responds to the question raised. If there are further questions on this, please let me know.

Attachment

Excerpted definitions of "Group Quarters" & "Housing Unit" from:
Appendix B. Definitions of Subject Characteristics, Census '90, Bureau of the Census, U.S. Department of Commerce.

GROUP QUARTERS

All persons not living in households are classified by the Census Bureau as living in group quarters. Two general categories of persons in group quarters are recognized: (1) institutionalized persons and (2) other persons in group quarters (also referred to as "noninstitutional group quarters").

Institutionalized Persons—Includes persons under formally authorized, supervised care or custody in institutions at the time of enumeration. Such persons are classified as "patients or inmates" of an institution regardless of the availability of nursing or medical care, the length of stay, or the number of persons in the institution. Generally, institutionalized persons are restricted to the institutional buildings and grounds (or must have passes or escorts to leave) and thus have limited interaction with the surrounding community. Also, they are generally under the care of trained staff who have responsibility for their safekeeping and supervision.

Type of Institution—The type of institution was determined as part of census enumeration activities. For institutions which specialize in only one specific type of

classification. For institutions which had multiple types of major services (usually general hospitals and Veterans' Administration hospitals), patients were classified according to selected types of wards. For example, in psychiatric wards of hospitals, patients were classified in "mental (psychiatric) hospitals"; in hospital wards for persons with chronic diseases, patients were classified in "hospitals for the chronically ill." Each patient or inmate was classified in only one type of institution. Institutions include the following types:

Correctional Institutions—Includes prisons, federal detention centers, military stockades and jails, police lockups, halfway houses, local jails, and other confinement facilities, including work farms.

Prisons—Where persons convicted of crimes serve their sentences. In some census products, the prisons are classified by two types of control: (1) "Federal" (operated by the Bureau of Prisons of the Department of Justice) and (2) "State." Residents who are criminally insane were classified on the basis of where they resided at the time of enumeration: (1) in institutions (or hospital wards) operated by departments of correction or similar agencies; or (2) in institutions operated by departments of mental health or similar agencies.

Federal Detention Centers—Operated by the Immigration and Naturalization Service (INS) and the Bureau of Prisons. These facilities include detention centers used by the Park Police; Bureau of Indian Affairs Detention Centers; INS Centers, such as the INS Federal Alien Detention Facility; INS Processing Centers; and INS Contract Detention Centers used to detain aliens under exclusion or deportation proceedings, as well as those aliens who have not been placed into proceedings, such as custodial required departures; and INS Detention Centers operated within local jails, and State and Federal prisons.

Military Stockades, Jails—Operated by military police and used to hold persons awaiting trial or convicted of violating military laws.

Local Jails and Other Confinement Facilities—Includes facilities operated by counties and cities that primarily hold persons beyond arraignment, usually for more than 48 hours. Also included in this category are work farms used to hold persons awaiting trial or serving time on relatively short sentences and jails run by private businesses under contract for local governments (but not by State governments).

Police Lockups—Temporary-holding facilities operated by county and city police that hold persons for 48 hours or less only if they have not been formally charged in court.

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Halfway Houses—Operated for correctional purposes and include probation and restitution centers, pre-release centers, and community-residential centers.

Other Types of Correctional Institutions—Privately operated correctional facilities and correctional facilities specifically for alcohol/ drug abuse.

Nursing Homes—Comprises a heterogeneous group of places. The majority of patients are elderly, although persons who require nursing care because of chronic physical conditions may be found in these homes regardless of their age. Included in this category are skilled-nursing facilities, intermediate-care facilities, long-term care rooms in wards or buildings on the grounds of hospitals, or long-term care rooms/ nursing wings in congregate housing facilities. Also included are nursing, convalescent, and rest homes, such as soldiers', sailors', veterans', and fraternal or religious homes for the aged, with or without nursing care. In some census products, nursing homes are classified by type of ownership as "Federal," "State," "Private not-for-profit," and "Private for profit."

Mental (Psychiatric) Hospitals—Includes hospitals or wards for the criminally insane not operated by a prison, and psychiatric wards of general hospitals and veterans' hospitals. Patients receive supervised medical/ nursing care from formally-trained staff. In some census products, mental hospitals are classified by type of ownership as "Federal," "State or local," "Private," and "Ownership not known."

Hospitals for Chronically Ill—Includes hospitals for patients who require long-term care, including those in military hospitals and wards for the chronically ill located on military bases; or other hospitals or wards for the chronically ill, which include tuberculosis hospitals or wards, wards in general and Veterans' Administration hospitals for the chronically ill, neurological wards, hospices, wards for patients with Hansen's Disease (leprosy) and other incurable diseases, and other unspecified wards for the chronically ill. Patients who had no usual home elsewhere were enumerated as part of the institutional population in the wards of general and military hospitals. Most hospital patients are at the hospital temporarily and were enumerated at their usual place of residence. (For more information, see "Wards in General and Military Hospitals for Patients Who Have No Usual Home Elsewhere.")

Schools, Hospitals, or Wards for the Mentally Retarded—Includes those institutions such as wards in hospitals for the mentally retarded, and intermediate-care facilities for the mentally retarded that provide supervised medical/ nursing care from formally-trained

staff. In some census products, this category is classified by type of ownership as "Federal," "State or local," "Private," and "Ownership not known."

Schools, Hospitals, or Wards for the Physically Handicapped—Includes three types of institutions: institutions for the blind, those for the deaf, and orthopedic wards and institutions for the physically handicapped. Institutions for persons with speech problems are classified with "institutions for the deaf." The category "orthopedic wards and institutions for the physically handicapped" includes those institutions providing relatively long-term care to accident victims, and to persons with polio, cerebral palsy, and muscular dystrophy. In some census products, this category is classified by type of ownership as "Public," "Private," and "Ownership not known."

Hospitals, and Wards for Drug/Alcohol Abuse—Includes hospitals, and hospital wards in psychiatric and general hospitals. These facilities are equipped medically and designed for the diagnosis and treatment of medical or psychiatric illnesses associated with alcohol or drug abuse. Patients receive supervised medical care from formally-trained staff.

Wards in General and Military Hospitals for Patients Who Have No Usual Home Elsewhere—Includes maternity, neonatal, pediatric (including wards for boarder babies), military, and surgical wards of hospitals, and wards for persons with infectious diseases.

Juvenile Institutions—Includes homes, schools, and other institutions providing care for children (short- or long-term care). Juvenile institutions include the following types:

Homes for Abused, Dependent, and Neglected Children—Includes orphanages and other institutions which provide long-term care (usually more than 30 days) for children. This category is classified in some census products by type of ownership as "Public" and "Private."

Residential Treatment Centers—Includes those institutions which primarily serve children who, by clinical diagnosis, are moderately or seriously disturbed emotionally. Also, these institutions provide long-term treatment services, usually supervised or directed by a psychiatrist.

Training Schools for Juvenile Delinquents—Includes residential training schools or homes, and industrial schools, camps, or farms for juvenile delinquents.

Public Training Schools for Juvenile Delinquents—Usually operated by a State agency (for example, department of welfare, corrections, or a

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young adults. Some are operated by county and city governments. These public training schools are specialized institutions serving delinquent children, generally between the ages of 10 and 17 years old, all of whom are committed by the courts.

Private Training Schools—Operated under private auspices. Some of the children they serve are committed by the courts as delinquents. Others are referred by parents or social agencies because of delinquent behavior. One difference between private and public training schools is that, by their administrative policy, private schools have control over their selection and intake.

Detention Centers—Includes institutions providing short-term care (usually 30 days or less) primarily for delinquent children pending disposition of their cases by a court. This category also covers diagnostic centers. In practice, such institutions may be caring for both delinquent and neglected children pending court disposition.

Other Persons in Group Quarters (also referred to as "noninstitutional group quarters")—Includes all persons who live in group quarters other than institutions. Persons who live in the following living quarters are classified as "other persons in group quarters" when there are 10 or more unrelated persons living in the unit; otherwise, these living quarters are classified as housing units.

Rooming Houses—Includes persons residing in rooming and boarding houses and living in quarters with 10 or more unrelated persons.

Group Homes—Includes "community-based homes" that provide care and supportive services. Such places include homes for the mentally ill, mentally retarded, and physically handicapped; drug/alcohol halfway houses; communes; and maternity homes for unwed mothers.

Homes for the Mentally Ill—Includes community-based homes that provide care primarily for the mentally ill. In some data products, this category is classified by type of ownership as "Federal," "State," "Private," and "Ownership not known." Homes which combine treatment of the physically handicapped with treatment of the mentally ill are counted as homes for the mentally ill.

Homes for the Mentally Retarded—Includes community-based homes that provide care primarily for the mentally retarded. Homes which combine treatment of the physically handicapped with treatment

of the mentally retarded are counted as homes for the mentally retarded. This category is classified by type of ownership in some census products, as "Federal," "State," "Private," or "Ownership not known."

Homes for the Physically Handicapped—Includes community-based homes for the blind, for the deaf, and other community-based homes for the physically handicapped. Persons with speech problems are classified with homes for the deaf. In some census products, this category is classified by type of ownership as "Public," "Private," or "Ownership not known."

Homes or Halfway Houses for Drug/Alcohol Abuse—Includes persons with no usual home elsewhere in places that provide community-based care and supportive services to persons suffering from a drug/alcohol addiction and to recovering alcoholics and drug abusers. Places providing community-based care for drug and alcohol abusers include group homes, detoxification centers, quarterway houses (residential treatment facilities that work closely with accredited hospitals), halfway houses, and recovery homes for ambulatory, mentally competent recovering alcoholics and drug abusers who may be re-entering the work force.

Maternity Homes for Unwed Mothers—Includes persons with no usual home elsewhere in places that provide domestic care for unwed mothers and their children. These homes may provide social services and post-natal care within the facility, or may make arrangements for women to receive such services in the community. Nursing services are usually available in the facility.

Other Group Homes—Includes persons with no usual home elsewhere in communes, foster care homes, and job corps centers with 10 or more unrelated persons. These types of places provide communal living quarters, generally for persons who have formed their own community in which they have common interests and often share or own property jointly.

Religious Group Quarters—Includes, primarily, group quarters for nuns teaching in parochial schools and for priests living in rectories. It also includes other convents and monasteries, except those associated with a general hospital or an institution.

College Quarters Off Campus—Includes privately-owned rooming and boarding houses off campus, if the place is reserved exclusively for occupancy by college students and if there are 10 or more unrelated persons. In census products, persons in this category are classified as living in a college dormitory.

Persons residing in certain other types of living arrangements are classified as living in "noninstitutional group quarters" regardless of the number of people sharing the unit. These include persons residing in the following types of group quarters:

College Dormitories—Includes college students in dormitories (provided the dormitory is restricted to students who do not have their families living with them), fraternity and sorority houses, and on-campus residential quarters used exclusively for those in religious orders who are attending college. Students in privately-owned rooming and boarding houses off campus are also included, if the place is reserved exclusively for occupancy by college-level students and if there are 10 or more unrelated persons.

Military Quarters—Includes military personnel living in barracks and dormitories on base, transient quarters on base for temporary residents (both civilian and military), and military ships. However, patients in military hospitals receiving treatment for chronic diseases or who have no usual home elsewhere, and persons being held in military stockades were included as part of the institutional population.

Agriculture Workers' Dormitories—Includes persons in migratory farm workers' camps on farms, bunkhouses for ranch hands, and other dormitories on farms, such as those on "tree farms."

Other Workers' Dormitories—Includes persons in logging camps, construction workers' camps, firehouse dormitories, job-training camps, energy enclaves (Alaska only), and nonfarm migratory workers' camps (for example, workers in mineral and mining camps).

Emergency Shelters for Homeless Persons (with sleeping facilities) and Visible in Street Locations—Includes persons enumerated during the "Shelter-and-Street-Night" operation primarily on March 20-21, 1990. Enumerators were instructed not to ask if a person was "homeless." If a person was at one of the locations below on March 20/21, the person was counted as described below. (For more information on the "Shelter-and-Street-Night" operation, see Appendix D, Collection and Processing Procedures.) This category is divided into four classifications:

Emergency Shelters for Homeless Persons (with sleeping facilities)—Includes persons who stayed overnight on March 20, 1990, in permanent and temporary emergency housing, missions, hotels/motels, and flophouses charging \$12 or less (excluding taxes) per night; Salvation Army shelters, hotels, and motels used *entirely* for homeless persons regardless of the nightly rate charged; rooms in hotels and motels used *partially* for the

homeless; and similar places known to have persons who have no usual home elsewhere staying overnight. If not shown separately, shelters and group homes which provide *temporary* sleeping facilities for runaway, neglected, and homeless children are included in this category in data products.

Shelters for Runaway, Neglected, and Homeless Children—Includes shelters/group homes which provide *temporary* sleeping facilities for juveniles.

Visible in Street Locations—Includes street blocks and open public locations designated before March 20, 1990 by city and community officials as places where the homeless congregate at night. All persons found at predesignated street sites from 2 a.m. to 4 a.m. and leaving abandoned or boarded-up buildings from 4 a.m. to 8 a.m. on March 21, 1990, were enumerated during "street" enumeration, except persons in uniform such as police and persons engaged in obvious money-making activities other than begging or panhandling. Enumerators were instructed not to ask if a person was "homeless."

This cannot be considered a complete count of all persons living on the streets because those who were so well hidden that local people did not know where to find them were likely to have been missed as were persons moving about or in places not identified by local officials. It is also possible that persons with homes could have been included in the count of "visible in street locations" if they were present when the enumerator did the enumeration of a particular block.

Predesignated street sites include street corners, parks, bridges, persons emerging from abandoned and boarded-up buildings, noncommercial campsites (tent cities), all-night movie theaters, all-night restaurants, emergency hospital waiting rooms, train stations, airports, bus depots, and subway stations.

Shelters for Abused Women (Shelters Against Domestic Violence or Family Crisis Centers)—Includes community-based homes or shelters that provide domiciliary care for women who have sought shelter from family violence and who may have been physically abused. Most shelters also provide care for children of abused women. These shelters may provide social services, meals, psychiatric treatment, and counseling. In some census products, "shelters for abused women" are included in the category "other noninstitutional group quarters."

Dormitories for Nurses and Interns in General and Military Hospitals—Includes group quarters for nurses and other staff members. It excludes patients.

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Appendix A

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Crews of Maritime Vessels—Includes officers, crew members, and passengers of Maritime U.S. flag vessels. All ocean-going and Great Lakes ships are included.

Staff Residents of Institutions—Includes staff residing in group quarters on institutional grounds who provide formally-authorized, supervised care or custody for the institutionalized population.

Other Nonhousehold Living Situations—Includes persons with no usual home elsewhere enumerated during transient, or "T-Night" enumeration at YMCA's, YWCA's, youth hostels, commercial and government-run campgrounds, campgrounds at racetracks, fairs, and carnivals, and similar transient sites.

Living Quarters for Victims of Natural Disasters—Includes living quarters for persons temporarily displaced by natural disasters.

Limitation of the Data—Two types of errors can occur in the classification of "types of group quarters":

1. **Misclassification of Group Quarters**—During the 1990 Special Place Prelist operation, the enumerator determined the type of group quarters associated with each special place in their assignment. The enumerator used the Alphabetical Group Quarters Code List and Index to the Alphabetical Group Quarters Code List to assign a two-digit code number followed by either an "I," for institutional, or an "N," for noninstitutional to each group quarters. In 1990, unacceptable group quarter codes were edited. (For more information on editing of unacceptable data, see Appendix C, Accuracy of the Data.)
2. **No Classification (unknowns)**—The imputation rate for type of institution was higher in 1980 (23.5 percent) than in 1970 (3.3 percent). Improvements were made to the 1990 Alphabetical Group Quarters Code List; that is, the inclusion of more group quarters categories and an "Index to the Alphabetical Group Quarters Code List." (For more information on the allocation rates for Type of Institution, see the allocation rates in 1990 CP-1, *General Population Characteristics*.)

In previous censuses, allocation rates for demographic characteristics (such as age, sex, race, and marital status) of the institutional population were similar to those for the total population. The allocation rates for sample characteristics such as school enrollment, highest grade completed, income, and veteran status for the institutional and noninstitutional group quarters population have been substantially higher than the population in households at least as far back as the 1960 census. The data, however, have historically presented a reasonable picture of the institutional and noninstitutional group quarters population.

Shelter and Street Night (S-Night)—For the 1990 census "Shelter-and-Street-Night" operation, persons well-hidden, moving about, or in locations enumerators did not visit were likely to be missed. The number of people missed will never be known; thus, the 1990 census cannot be considered to include a definitive count of America's total homeless population. It does, however, give an idea of relative differences among areas of the country. Other components were counted as part of regular census procedures.

The count of persons in shelters and visible on the street could have been affected by many factors. How much the factors affected the count can never be answered definitively, but some elements include:

1. How well enumerators were trained and how well they followed procedures.
2. How well the list of shelter and street locations given to the Census Bureau by the local government reflected the actual places that homeless persons stay at night.
3. Cities were encouraged to open temporary shelters for census night, and many did that and actively encouraged people to enter the shelters. Thus, people who may have been on the street otherwise were in shelters the night of March 20, so that the ratio of shelter-to-street population could be different than usual.
4. The weather, which was unusually cold in some parts of the country, could affect how likely people were to seek emergency shelter or to be more hidden than usual if they stayed outdoors.
5. The media occasionally interfered with the ability to do the count.
6. How homeless people perceived the census and whether they wanted to be counted or feared the census and hid from it.

The Census Bureau conducted two assessments of Shelter and Street Night: (1) the quality of the lists of shelters used for the Shelter and Street Night operation; and (2) how well procedures were followed by census takers for the street count in parts of five cities (Chicago, Los Angeles, New York, New Orleans, and Phoenix). (Information about these two assessments is available from the Chief, Center for Survey Methods Research, Bureau of the Census, Washington, DC 20233.)

Comparability—For the 1990 census, the definition of institutionalized persons was revised so that the definition of "care" only includes persons under organized medical or formally-authorized, supervised care or custody. As a result of this change to the institutional definition, maternity homes are classified as noninstitutional rather than institutional group quarters as in previous censuses. The following types of other group



quarters are classified as institutional rather than non-institutional group quarters: "halfway houses (operated for correctional purposes)" and "wards in general and military hospitals for patients who have no usual home elsewhere," which includes maternity, neonatal, pediatric, military, and surgical wards of hospitals, other-purpose wards of hospitals, and wards for persons with infectious diseases. These changes should not significantly affect the comparability of data with earlier censuses because of the relatively small number of persons involved.

As in 1980, 10 or more unrelated persons living together were classified as living in noninstitutional group quarters. In 1970, the criteria was six or more unrelated persons.

Several changes also have occurred in the identification of specific types of group quarters. For the first time, the 1990 census identifies separately the following types of correctional institutions: persons in halfway houses (operated for correctional purposes), military stockades and jails, and police lockups. In 1990, tuberculosis hospitals or wards are included with hospitals for the chronically ill; in 1980, they were shown separately. For 1990, the noninstitutional group quarters category, "Group homes" is further classified as: group homes for drug/alcohol abuse; maternity homes (for unwed mothers), group homes for the mentally ill, group homes for the mentally retarded, and group homes for the physically handicapped. Persons living in communes, foster-care homes, and job corps centers are classified with "Other group homes" only if 10 or more unrelated persons share the unit; otherwise, they are classified as housing units.

In 1990, workers' dormitories were classified as group quarters regardless of the number of persons sharing the dorm. In 1980, 10 or more unrelated persons had to share the dorm for it to be classified as a group quarters. In 1960, data on persons in military barracks were shown only for men. In subsequent censuses, they include both men and women.

In 1990 census data products, the phrase "inmates of institutions" was changed to "institutionalized persons." Also, persons living in noninstitutional group quarters were referred to as "other persons in group quarters," and the phrase "staff residents" was used for staff living in institutions.

In 1990, there are additional institutional categories and noninstitutional group quarters categories compared with the 1980 census. The institutional categories added include "hospitals and wards for drug/alcohol abuse" and "military hospitals for the chronically ill." The noninstitutional group quarters categories added include emergency shelters for homeless persons; shelters for runaway, neglected, and homeless children; shelters for abused women; and visible in street locations. Each of these noninstitutional group quarters categories was enumerated on March 20-21, 1990.

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during the "Shelter and Street Night" operation (for more information on the "Shelter and Street Night" operation, see Appendix D, Collection and Processing Procedures.)

HOUSING CHARACTERISTICS (B-15)

LIVING QUARTERS

Living quarters are classified as either housing units or group quarters. (For more information, see discussion of "Group Quarters" under Population Characteristics.) Usually, living quarters are in structures intended for residential use (for example, a one-family home, apartment house, hotel or motel, boarding house, or mobile home). Living quarters also may be in structures intended for nonresidential use (for example, the rooms in a warehouse where a guard lives), as well as in places such as tents, vans, shelters for the homeless, dormitories, barracks, and old railroad cars.

Housing Units—A housing unit is a house, an apartment, a mobile home or trailer, a group of rooms or a single room occupied as separate living quarters or, if vacant, intended for occupancy as separate living quarters. Separate living quarters are those in which the occupants live and eat separately from any other persons in the building and which have direct access from outside the building or through a common hall.

The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements. For vacant units, the criteria of separateness and direct access are applied to the intended occupants whenever possible. If that information cannot be obtained, the criteria are applied to the previous occupants.

Both occupied and vacant housing units are included in the housing unit inventory, except that recreational vehicles, boats, vans, tents, railroad cars, and the like are included only if they are occupied as someone's usual place of residence. Vacant mobile homes are included provided they are intended for occupancy on the site where they stand. Vacant mobile homes on dealers' sales lots, at the factory, or in storage yards are excluded from the housing inventory.

If the living quarters contain 9 or more persons unrelated to the householder or person in charge (a total of 10 unrelated persons), they are classified as group quarters. If the living quarters contain eight or fewer persons unrelated to the householder or person in charge, they are classified as housing units.

Occupied Housing Units—A housing unit is classified as occupied if it is the usual place of residence of the person or group of persons living in it at the time of enumeration, or if the occupants are only temporarily absent; that is, away on vacation. If all the persons staying in the unit at the time of the census have their usual place of residence elsewhere, the unit is classified as vacant. A household includes all the persons who occupy a housing unit as their usual place of residence. By definition, the count of occupied housing units for 100-percent tabulations is the same as the count of

Vacant Housing Units—A housing unit is vacant if no one is living in it at the time of enumeration, or if occupants are only temporarily absent. Units rarely occupied at the time of enumeration are those of persons who have a usual residence elsewhere and are classified as vacant. (For more information, see discussion under "Usual Home Elsewhere.")

New units not yet occupied are classified as housing units if construction has reached a point at which all exterior windows and doors are installed and usable floors are in place. Vacant units are excluded if they are open to the elements; that is, the roof, windows, and/or doors no longer protect the interior from the elements, or if there is positive evidence (such as a sign on the house or in the block) that the unit is condemned or is to be demolished. Also excluded are quarters being used entirely for nonresidential purposes, such as a store or an office, or quarters used for the storage of business supplies or inventory, machinery, or agricultural products.

Hotels, Motels, Rooming Houses, Etc.—Only rooms or suites of rooms in hotels, motels, and similar places are classified as housing units only when occupied by permanent residents; that is, persons who consider the hotel as their usual place of residence and have no usual place of residence elsewhere. Only rooms or suites of rooms are classified as housing units only in those hotels, motels, and similar places in which 75 percent or more of the accommodations are occupied by permanent residents.

If any of the occupants in a rooming or boarding house live and eat separately from others in the building and have direct access, their quarters are classified as separate housing units.

Staff Living Quarters—The living quarters occupied by staff personnel within any group quarters are classified as housing units if they satisfy the housing unit criteria of separateness and direct access; otherwise, they are considered group quarters.

Comparability—The first Census of Housing established the "dwelling unit" concept. Although the term became "housing unit" and the definition has been modified slightly in succeeding censuses, the current definition is essentially comparable to previous ones. There was no change in the housing unit definition between 1980 and 1990.

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DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
Division of Housing Policy Development

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(916) 323-3176



October 14, 1999

Mr. Eugene Leong, Executive Director
Association of Bay Area Governments
101 Eighth Street
Oakland, California 94607

Dear Mr. Leong:

RE: Regional Housing Needs Determination

Government Code Section 65584 requires the Department of Housing and Community Development (HCD) to provide our determination of the region's existing and projected housing needs to the Association of Bay Area Governments (ABAG). ABAG plays an important role in working together with State and local government to address the State's serious housing needs. Enclosed are determinations of need for your use in preparing a new regional housing needs plan for housing elements within your region. As you know, the housing elements are to be updated by July 2001.

In preparing these determinations, HCD has had extensive consultations with your staff, and has met with your Housing Methodology Committee. We have also consulted with, and used data and assumptions of the State Department of Finance (DOF) Demographic Research Unit, such that the determination incorporates DOF's most recent household population projections, issued December 17, 1998, and household population and housing estimates as of January 1999 issued in May 1999. In accordance with statutory provisions, our housing need projections are intended to facilitate consistency with ABAG's projections currently being updated for use in regional transportation planning. The Attachments show the housing need for the region and its distribution by income group.

Attachment 1 contains HCD's determination of your region's minimum housing need for the period from the date of the most recent estimate of the existing stock (January 1, 1999) through the end of the next housing element planning cycle (June 2006) and describes the methodology used to project the housing construction need. It also includes the regional estimate of the number and percentage of households in each of four income groups applied to the projected housing need for the period.

Mr. Eugene Leong, Executive Director
Page 2

The distribution of the attached regional determination among counties is predominantly based on demographic factors. The COG's distribution of the housing need among jurisdictions within the region is to be determined by your planning process, considering the statutory factors of employment opportunities, commuting patterns, type and tenure of housing need, market demand, availability of suitable sites and public facilities, the loss of affordability of assisted housing units, and the housing needs of farmworkers. Thus, your plan is likely to incorporate a different distribution among counties. Your agency is required to submit the assumptions and methodology on which your plan is based to us, and you are also responsible for making the assumptions and methodology upon which the plan is based available to the affected local governments.

Attachment II illustrates the income group distribution of the housing construction need for the period within the region. Although the income distribution among counties within the region in your plan may also vary from the attachment based on the statutory direction to seek to reduce the concentration of lower-income households from jurisdictions which have disproportionately high proportions of lower-income households, actual income distribution at a county level would not be anticipated to change substantially within a short term planning period.

The DOF January 1, 1999 estimates should be used as the base year for your regional housing needs plan. The January 1, 1999 to July 1, 2006 allocations should be used in the housing element. At the time of preparation of each of their individual housing elements, jurisdictions may reduce their allocation by net units developed during the interim period (i.e., January 1, 1999 to July 1, 2001).

We are happy to further discuss implementation of your plan, including its relationship to how the allocations are implemented in the housing element update process. In addition, if you should have other questions or concerns regarding the process, Linda Wheaton, of our staff, can assist you. You can reach Linda at (916) 327-2642. We look forward to cooperating with you in your development of the housing needs plan.

Sincerely,



Cathy E. Creswell
Acting Deputy Director

cc: Gary Binger, Deputy Executive Director & Planning Director, ABAG
Paul Fassinger, Research Director, ABAG
Alex Amoroso, Senior Regional Planner, ABAG

Attachments

Attachment I

Housing Construction Need for ABAG Region
January 1999 - July 2006

	A	B	C	D	E
	July 1, 2006	January 1, 1999	July 1, 2006	January 1, 1999	1999-2006
County	Household Population	Household Population	Households	Households	Housing Construction Need
Alameda	1,546,769	1,400,839	557,374	504,384	52,990
Contra Costa	975,653	906,621	364,013	332,111	31,902
Marin	245,416	239,041	100,277	98,225	2,052
Napa	131,280	119,257	49,990	45,231	4,759
San Francisco	768,796	768,288	316,700	312,679	4,021
San Mateo	779,963	710,771	272,614	251,161	21,453
Santa Clara	1,881,878	1,678,786	623,651	559,166	64,485
Solano	431,580	377,856	148,401	127,129	21,272
Sonoma	500,596	436,100	194,976	167,168	27,808
Region	7,261,931	6,637,559	2,627,997	2,397,254	230,743

Methodology

- Column A: Projection based on DOF population projections issued 12/98: County Population Projections with Age, Sex and Race/Ethnic Detail.
- Column B: DOF E-5 January 1999 Estimate of Population and Households, issued May 1999
- Column C: Projection based on DOF population projections issued 12/98, @ 1999 headship rate by age, sex & ethnic cohorts, applied to household population.
- Column D: DOF E-5 January 1999 Estimate of Population and Households, issued May 1999
- Column E: Difference between January 1999 and projected July 2006 households (A-B)
Construction need equivalent to household growth.
- DOF: State of California Department of Finance, Demographic Research Unit

Income Distribution of Housing Need

<u>Income Category</u>		<u>Percentage</u>
Very Low	49,379	21.4
Other Lower	24,690	10.7
Moderate	60,916	26.4
<u>Above Moderate</u>	<u>95,758</u>	<u>41.5</u>
Total	230,743	100.0

Attachment II

Distribution of 1999 - July 2006 Housing Construction Need by Income Category

	Number	Percent		Number	Percent
ALAMEDA			SANTA CLARA		
Very Low	13,248	25%	Very Low	12,252	19%
Other Lower	6,359	12%	Other Lower	4,514	7%
Moderate	14,307	27%	Moderate	18,056	28%
Above Mod.	19,076	36%	Above Mod.	29,663	46%
Total	52,990	100%	Total	64,485	100%
CONTRA COSTA			SOLANO		
Very Low	5,742	18%	Very Low	4,042	19%
Other Lower	3,509	11%	Other Lower	3,616	17%
Moderate	7,337	23%	Moderate	5,531	26%
Above Mod.	15,313	48%	Above Mod.	8,083	38%
Total	31,902	100%	Total	21,272	100%
MARIN			SONOMA		
Very Low	349	17%	Very Low	5,284	19%
Other Lower	164	8%	Other Lower	5,005	18%
Moderate	492	24%	Moderate	6,674	24%
Above Mod.	1,047	51%	Above Mod.	10,845	39%
Total	2,052	100%	Total	27,808	100%
NAPA			Regional Distribution:		
Very Low	952	20%			%
Other Lower	857	18%	Very Low	49,379	21.4
Moderate	1,142	24%	Other Lower	24,690	10.7
Above Mod.	1,808	38%	Moderate	60,916	26.4
Total	4,759	100%	Above Mod.	95,758	41.5
SAN FRANCISCO			Total	230,743	100
Very Low	1,247	31%			
Other Lower	402	10%			
Moderate	1,166	29%			
Above Mod.	1,206	30%			
Total	4,021	100%			
SAN MATEO					
Very Low	3,862	18%			
Other Lower	1,716	8%			
Moderate	5,578	26%			
Above Mod.	10,297	48%			
Total	21,453	100%			

Source: HUD's CHAS Databook for 1990 Census and HCD calculations using definitions of State and federal law as implemented by HUD and HCD. The income groups "Very Low," "Other Lower," and "Moderate" are defined in Health and Safety Code Sections 50079.5, 50093, and 50105, and Chapter 6.5 of Title 25 of the California Code of Regulations. "Above Moderate" households are households that do not meet the definitions for the other categories. The definitions involve relationships to median family incomes and family size adjustment factors.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**Division of Housing Policy Development**

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October 18, 1999

Mr. Alex Amoroso, Senior Planner
 Association of Bay Area Governments
 P.O. Box 2050
 Oakland, California 94604-2050

Dear Mr. Amoroso:

Re: Regional Housing Need Determination for ABAG Region

This is in response to concerns raised in your September 24, 1999 letter regarding our regional housing needs determination for the ABAG region pursuant to Government Code Section 65584. Each of your concerns is discussed below.

“Housing Need” vs. “Anticipated (Household) Growth”: You requested clarification of how our determination of “housing need” is differentiated from the “anticipated growth” of your projections. Unlike the growth projections ABAG prepares for other functional purposes, the housing need allocation is to be founded on addressing policy objectives of State housing element law, as described below. In accordance with the statutory provisions of Section 65584, our projections are based on the (household) population projections produced by the Department of Finance’s (DOF) Demographic Unit. Enclosed is a copy of the calculation spreadsheet.

State housing element law (Government Code Section 65580 et. seq.), of which the regional housing needs allocation is a key part, is founded on the policy to “expand housing opportunities and accommodate the housing needs of Californians of all economic levels.” The housing need allocation provides the basis for local governments to update their land-use plans and regulations to accommodate housing commensurate with their share of the region’s projected housing need. It is not a projection of residential permit activity, nor are the local governments responsible for actually building the projected housing need – only for accommodating that need. The actual occurrence of development will be subject to market conditions and other factors. In contrast with our understanding of your independent household projections, the size of the regions’ housing need allocation is not constrained by local development policies that limit housing production or the supply of existing residentially zoned or designated land.¹

¹ “The availability of suitable housing sites must be considered based not only upon the existing zoning ordinances and land use restrictions of the locality but also based upon the potential for increased residential development under alternative zoning ordinances and land use restrictions.” State of California Attorney General Opinion No. 87-206, 9-9-87.

HCD Approval of COG's Allocation Methodology: Government Code Section 65584 addresses your request for clarification of the need for our approval of the methodology ABAG uses to allocate the regional housing need among jurisdictions. The statute requires COGs to "submit to the department information regarding the assumptions and methodology to be used in allocating the regional housing need." It also authorizes our department to revise your allocation if necessary for consistency with our determination, including the income distribution, after you submit your plan to us for approval.

Basis for Projected Decline in Region's Average Household Size: DOF's Demographic Unit has confirmed that the basis for the projected decline in the average household size is due to changing age distribution of the region's population. In particular, during the projection period:

- 1) the population under age 18 (most members of households, not householders) is growing at a slower pace than the population aged 18 and over;
- 2) the population over 55 (which has the highest headship rates and smallest average household size) grows by 2.5 times the overall rates, such that over-55-year-olds are projected to comprise approximately 23 percent of the region's 2006 household population, versus 20 percent in 1999; and
- 3) the population aged 25-34 (an age group which typically has one of the highest average household sizes) actually declines.

Under these circumstances, the region's average household size is likely to increase only if a downward trend in headship rates were to be applied to the projection period.

Correlation Between Housing to be Built and Housing Affordability: Housing supply is a critical influence on housing prices and affordability. Inadequate supplies of land designated for residential development exert upward pressure on land costs and ultimately, on housing affordability. The distribution of the housing need by income category has implications for local development standards and programs to support the housing element objectives to provide for a mix of housing types for all income levels and for programs to assist in the development of housing for low and moderate income households. In general, the lower-income portion of the housing needs allocation is facilitated by zoning and development standards that accommodate higher densities in high cost areas, a mix of housing types, and pro-active program efforts to pursue and utilize housing assistance resources, including cooperation with private-sector efforts.

Mr. Alex Amoroso
Page 3

We hope this information is useful in our cooperative process of determining the regional housing needs allocation for your region. If we can be of further assistance, please feel free to contact me at (916) 323-3176.

Sincerely,


Cathy E. Creswell
Acting Deputy Director

Page 1

Regional Housing Needs Determination

OTHER

Total Population	Total Household Population	Total Household Quarters	Male			Female			Total Population	Total Household Population	Total Household Quarters	Headship Rate	Female Household Rate	ALL <18		
			Population	Household Quarters	Headship Rate	Population	Household Quarters	Headship Rate								
235189	234062	1127	187	12019	608	0.0007	114170	113433	137	98	0.0009	18-24	18-24	233947		
80809	77503	3306	13378	41504	3363	0.1837	33035	38160	145	6070	0.1591	25-34	25-34	80348		
115732	113781	1951	52140	59377	52025	0.6235	53576	719	15732	0.2831	35-44	35-44	115072			
151989	150711	1278	82138	74711	74057	0.8351	77278	76654	2238	0.2866	45-54	45-54	151122			
140659	139976	683	69669	67724	245	0.8882	72452	988	21746	0.3010	55-64	55-64	139607			
88415	87934	481	85051	43420	43257	0.3801	44895	44077	318	14471	0.3239	65+	65+	87911		
108919	105286	3633	68306	46907	46127	0.3923	48865	42912	59159	28363	0.4796	Total	Total	108238		
921662	909253	12409	349196	454907	449342	0.5340	459511	6844	109240	0.2375	Total	Total	916403			
916403	906621	9782										WHITE	WHITE	916403		
129824	129655	269	84	68887	66730	0.157	40	0.0006	62937	62825	112	44	0.0007	<18	129083	
46659	44840	1819	23870	22659	1211	0.4559	20212	22789	22181	608	3556	0.1603	18-24	18-24	46738	
68328	67619	709	34065	34020	534	0.2651	34020	33774	33598	175	14435	0.2808	25-34	25-34	67538	
98238	98776	462	54069	49107	48778	0.8231	50131	49998	133	14459	0.2882	35-44	35-44	98672		
98131	98943	188	57473	48495	43258	0.8154	131	0.2512	0.8790	0.2868	45-54	45-54	98417			
65351	65151	200	39569	37331	103	0.2898	48874	32893	97	10621	0.2329	55-64	55-64	64956		
84444	81325	3119	55235	36206	656	0.32041	0.9013	48238	45755	2465	73179	0.5067	65+	65+	83962	
592975	586209	6766	247170	291480	288359	0.5927	301495	297850	3645	76270	0.2561	Total	Total	598591		
45614	45551	63	46	23472	23423	0.0010	22128	22128	14	22	0.0010	<18	<18	45354		
12740	12383	357	1998	6620	6336	0.1267	6120	6047	73	732	0.1210	18-24	18-24	12667		
19826	19803	223	8425	10123	10815	0.208	6444	0.5958	8788	15	1982	0.2255	25-34	25-34	19537	
20213	20114	99	10560	10554	10469	85	7912	0.7758	9659	9645	14	2848	0.2745	35-44	35-44	20098
12598	12554	44	6774	6281	6241	40	5119	0.8202	6313	4	1655	0.2622	45-54	45-54	12526	
6997	6974	23	3898	3459	3442	17	2935	0.8527	3538	6	963	0.2726	55-64	55-64	6957	
7556	7556	110	4508	3391	3354	37	2721	0.8112	4202	73	1787	0.4253	65+	65+	7622	
126584	124735	919	36209	64900	63981	720	26421	0.4123	60854	60655	199	9788	0.1614	Total	Total	124213
26880	26636	244	47	13666	13499	167	22	0.0016	13214	13137	77	25	0.0019	<18	26727	
9254	8483	771	1849	4645	4077	568	670	0.1943	4609	4406	203	1179	0.2677	18-24	18-24	9201
13205	12940	493	5670	6026	5655	371	2683	0.4744	6381	6259	122	2987	0.4772	25-34	25-34	12336
10968	10860	98	6879	4876	4807	69	3741	0.7782	6082	6053	29	3138	0.5184	35-44	35-44	10895
6533	6476	57	4293	2949	2912	37	2421	0.8313	3584	3564	20	1872	0.5253	45-54	45-54	6496
6601	6395	206	4472	2725	2654	71	2233	0.8413	3876	3741	135	2239	0.5985	55-64	55-64	6563
83704	83704	2134	40884	39384	1500	15588	1500	0.3958	44954	44320	634	15166	0.3422	Total	Total	85346
26880	26636	244	47	13666	13499	167	22	0.0016	13214	13137	77	25	0.0019	<18	26727	
9254	8483	771	1849	4645	4077	568	670	0.1943	4609	4406	203	1179	0.2677	18-24	18-24	9201
13205	12940	493	5670	6026	5655	371	2683	0.4744	6381	6259	122	2987	0.4772	25-34	25-34	12336
10968	10860	98	6879	4876	4807	69	3741	0.7782	6082	6053	29	3138	0.5184	35-44	35-44	10895
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83704	83704	2134	40884	39384	1500	15588	1500	0.3958	44954	44320	634	15166	0.3422	Total	Total	85346
26880	26636	244	47	13666	13499	167	22	0.0016	13214	13137	77	25	0.0019	<18	26727	
9254	8483	771	1849	4645	4077	568	670	0.1943	4609	4406	203	1179	0.2677	18-24	18-24	9201
13205	12940	493	5670	6026	5655	371	2683	0.4744	6381	6259	122	2987	0.4772	25-34	25-34	12336
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26880	26636	244	47	13666	13499	167	22	0.0016	13214	13137	77	25	0.0019	<18	26727	
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10968	10860	98	6879	4876	4807	69	3741	0.7782	6082	6053	29	3138	0.5184	35-44	35-44	10895
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6601	6395	206	4472	2725	2654	71	2233	0.8413	3876	3741	135	2239	0.5985	55-64	55-64	6563
83704	83704	2134	40884	39384	1500	15588	1500	0.3958	44954	44320	634	15166	0.3422	Total	Total	85346
26880	26636	244	47	13666	13499	167	22	0.0016	13214	13137	77	25	0.0019	<18	26727	
9254	8483	771	1849	4645	4077	568	670	0.1943	4609	4406	203	1179	0.2677	18-24	18-24	9201
13205	12940	493	5670	6026	5655	371	2683	0.4744	6381	6259	122	2987	0.4772	25-34	25-34	12336
10968	10860	98	6879	4876	4807	69	3741	0.7782	6082	6053	29	3138	0.5184	35-44	35-44	10895
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26880	26636	244	47	13666	13499	167	22	0.0016	13214	13137	77	25	0.0019	<18	26727	
9254	8483	771	1849	4645	4077	568	670	0.1943	4609	4406	203	1179	0.2677	18-24	18-24	9201
13205	12940	493	5670	6026	5655	371	2683	0.4744	6381	6259	122	2987	0.4772	25-34	25-34	12336
10968	10860	98	6879	4876	4807	69	3741	0.7782	6082	6053	29	3138	0.5184	35-44	35-44	10895
6533	6476	57	4293	2949	2912	37	2421	0.8313	3584	3564	20	1872	0.5253	45-54	45-54	6496
6601	6395	206	4472	2725	2654	71	2233	0.8413	3876	3741	135	2239	0.5985	55-64	55-64	6563
83704	83704	2134	40884	39384	1500	15588	1500	0.3958	44954	44320	634	15166	0.3422	Total	Total	85346
26880	26636	244	47	13666	13499	167	22	0.0016	13214	13137	77	25	0.0019	<18	26727	
9254	8483	771	1849	4645	4077	568	670	0.1943	4609	4406	203	1179	0.2677	18-24	18-24	9201
13205	12940	493	5670	6026	5655	371	2683	0.4744	6381	6259	122	2987	0.4772	25-34	25-34	12336
10968	10860	98	6879	4876	4807	69	3741	0.7782	6082	6053	29	3138	0.5184	35-44	35-44	10895
6533	6476	57	4293	2949	2912	37	2421	0								

Regional Housing Needs Determination

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San Francisco

All	Total Population	Total Households	Group	Male				Female				Headship Rate	Household Size		
				Total Population	Total Households	Group	Headship Rate	Total Population	Total Households	Group	Headship Rate				
ALL	151118	150098	1020	353	77172	76810	562	215	0	73946	73468	458	138	0	18.24
<18	51055	46231	4524	7650	20669	23223	2866	3777	0	24968	23008	1958	3873	0	18.24
18-24	15968	14522	4096	8610	23223	23223	3135	5400	0	76181	75200	3179	1171	0	18.24
25-34	119472	117225	2249	71349	81533	80251	1882	46794	0	57539	56912	567	14255	0	45.54
45-54	69975	68129	1846	41560	34730	33545	1245	27353	0	33524	33464	601	14266	0	55.64
55-64	117865	111907	5908	73069	42838	40611	2247	39671	1	69597	69596	949	36398	1	65+
65+	78946	78926	22210	39138	39138	39138	1	39138	0	39138	39138	949	130896	0	65+
WHITE	41656	41319	237	129	21310	21188	122	78	0.0037	20246	20131	115	50	0.0025	18.24
<18	9722	8864	2958	2345	4968	3394	1704	1127	0.3453	4754	3600	1154	1216	0.3382	18.24
18-24	4852	4338	1135	1035	2586	2586	1035	1614	0.0027	21414	21414	82	10214	0.0027	18.24
25-34	80032	79114	3544	4338	4338	4338	1122	3910	0.0027	31761	31761	218	14733	0.0027	18.24
45-54	61622	60440	1182	40848	33715	32803	812	19114	0.7991	27907	27937	270	7145	0.5055	45.54
55-64	31156	30302	854	20776	16764	16764	597	18300	0.8431	14352	14352	257	7145	0.5055	45.54
65+	52599	49873	13968	35577	21281	19548	1245	19420	0.8228	31368	29017	5821	19157	0.8602	65+
Total	131861	130601	3590	170520	161396	15656	7838	96778	0.8428	151965	152533	5052	71453	0.4703	18.24
HISPANIC	32780	32543	217	75	16675	16560	115	45	0.0027	16065	15863	102	30	0.0019	18.24
<18	20014	18348	568	1518	3538	3538	505	213	0.683	10897	10716	213	2684	0.2681	18.24
18-24	29414	28519	8519	13213	12541	12541	572	18635	0.4458	10897	10716	213	2684	0.2681	18.24
25-34	13686	13440	248	7294	7111	6862	198	4792	0.6924	6575	6519	56	2902	0.3839	45.54
45-54	8604	8430	174	4819	4049	3912	317	3035	0.7455	4518	4518	317	1784	0.3849	45.54
55-64	13462	13233	229	8115	5183	5073	120	25543	0.8414	6209	6160	109	4133	0.5065	65+
65+	2296	2296	41128	64058	62081	1977	1977	3800	0.7745	6202	6163	109	15565	0.2547	18.24
Total	120600	119324	279	8112	5183	5073	120	25543	0.8414	6202	6163	109	15565	0.2547	18.24
BLACK	20077	19852	225	78	10101	9957	144	46	0.0046	9976	9895	81	33	0.0033	18.24
<18	7136	6533	803	1314	3579	3149	349	489	0.1489	3557	3394	174	845	0.2497	18.24
18-24	11258	10710	1008	4558	5557	4753	804	1987	0.4104	5701	5414	274	2571	0.4746	18.24
25-34	10294	9810	384	6463	5995	4781	314	334	0.8987	5190	5120	70	2017	0.8078	45.54
45-54	6383	6175	268	4286	3000	2940	160	2235	0.7870	3383	3335	48	2051	0.6190	55.64
55-64	9951	9622	329	7047	3768	3625	143	3040	0.8357	6183	5987	186	4007	0.6681	65+
65+	7870	7486	354	31156	37866	35075	279	14500	0.4167	58621	54021	141	16576	0.4163	18.24
Total	78730	74866	354	31156	37866	35075	279	14500	0.4167	58621	54021	141	16576	0.4163	18.24
OTHER	56725	56384	341	71	20096	28905	181	46	0.0016	27639	27479	180	25	0.0009	18.24
<18	22383	22506	765	2443	11906	11559	347	1286	0.1121	11387	10969	147	1147	0.1046	18.24
18-24	43142	42568	6727	12862	21493	21342	371	8620	0.4081	21649	21383	266	4262	0.1983	25.34
25-34	33870	33413	1256	10714	10912	10714	296	1256	0.9945	1256	1256	296	1256	0.9945	45.54
45-54	33870	33413	1256	10714	10912	10714	296	1256	0.9945	1256	1256	296	1256	0.9945	45.54
55-64	23832	23222	610	11979	10517	10566	351	8453	0.8000	12915	12956	259	3228	0.2549	55.64
65+	41803	40168	1734	22513	17387	17387	738	13322	0.7810	22777	22782	965	9101	0.3965	65+
Total	263204	260105	5099	85154	128226	125414	2912	58163	0.4638	137178	134861	2912	26691	0.2004	18.24

Association of Bay Area Governments

Santa Clara

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Salerno

ALL	Total Population	Total Households	Group Quarters	Male Total	Male Households	Male Population	Male Group Quarters	Total Population	Total Households	Group Quarters	Female Total	Female Households	Female Population	Female Group Quarters	Headship Rate	Male Headship Rate	Female Headship Rate	Household Rate
ALL	11,255	11,231	68	5,655	5,655	5,655	5,655	5,655	5,655	5,655	5,655	5,655	5,655	5,655	5,655	5,655	5,655	5,655
<18	3,781	3,781	4,247	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951
18-24	5,250	4,764	4,086	2,362	2,362	2,362	2,362	2,362	2,362	2,362	2,362	2,362	2,362	2,362	2,362	2,362	2,362	2,362
25-34	6,892	6,510	2,412	3,612	3,612	3,612	3,612	3,612	3,612	3,612	3,612	3,612	3,612	3,612	3,612	3,612	3,612	3,612
35-44	2,905	2,905	2,905	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452	1,452
45-54	3,457	3,354	3,328	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742
55-64	3,457	3,354	3,328	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742
65+	3,457	3,354	3,328	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742
Total	30,221	37,642	13,759	15,381	15,381	15,381	15,381	15,381	15,381	15,381	15,381	15,381	15,381	15,381	15,381	15,381	15,381	15,381
WHITE	30,221	37,642	13,759	15,381	15,381	15,381	15,381	15,381	15,381	15,381	15,381	15,381	15,381	15,381	15,381	15,381	15,381	15,381
<18	5,740	5,715	85	31	2,961	2,961	2,961	2,961	2,961	2,961	2,961	2,961	2,961	2,961	2,961	2,961	2,961	2,961
18-24	18,053	16,513	2,540	3,731	3,731	3,731	3,731	3,731	3,731	3,731	3,731	3,731	3,731	3,731	3,731	3,731	3,731	3,731
25-34	26,986	24,833	1,983	12,523	12,523	12,523	12,523	12,523	12,523	12,523	12,523	12,523	12,523	12,523	12,523	12,523	12,523	12,523
35-44	3,457	3,354	3,328	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742
45-54	3,457	3,354	3,328	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742
55-64	3,457	3,354	3,328	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742
65+	3,457	3,354	3,328	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742	1,742
Total	21,977	21,965	683	8,438	8,438	8,438	8,438	8,438	8,438	8,438	8,438	8,438	8,438	8,438	8,438	8,438	8,438	8,438
HISPANIC	20,563	20,529	34	15	10,630	10,630	10,630	10,630	10,630	10,630	10,630	10,630	10,630	10,630	10,630	10,630	10,630	10,630
<18	8,149	8,149	728	905	3,153	3,153	3,153	3,153	3,153	3,153	3,153	3,153	3,153	3,153	3,153	3,153	3,153	3,153
18-24	8,029	5,189	840	1,180	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127
25-34	8,029	5,189	840	1,180	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127
35-44	8,029	5,189	840	1,180	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127
45-54	8,029	5,189	840	1,180	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127
55-64	8,029	5,189	840	1,180	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127
65+	8,029	5,189	840	1,180	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127
Total	50,336	50,700	3,328	25,779	25,779	25,779	25,779	25,779	25,779	25,779	25,779	25,779	25,779	25,779	25,779	25,779	25,779	25,779
BLACK	16,717	16,717	44	18	8,469	8,469	8,469	8,469	8,469	8,469	8,469	8,469	8,469	8,469	8,469	8,469	8,469	8,469
<18	6,029	5,189	840	1,180	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127
18-24	6,029	5,189	840	1,180	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127
25-34	6,029	5,189	840	1,180	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127
35-44	6,029	5,189	840	1,180	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127
45-54	6,029	5,189	840	1,180	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127
55-64	6,029	5,189	840	1,180	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127
65+	6,029	5,189	840	1,180	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127
Total	50,336	50,700	3,328	25,779	25,779	25,779	25,779	25,779	25,779	25,779	25,779	25,779	25,779	25,779	25,779	25,779	25,779	25,779
OTHER	1,975	1,975	5	9	9215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215
<18	1,975	1,975	5	9	9215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215
18-24	1,975	1,975	5	9	9215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215
25-34	1,975	1,975	5	9	9215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215
35-44	1,975	1,975	5	9	9215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215
45-54	1,975	1,975	5	9	9215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215
55-64	1,975	1,975	5	9	9215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215
65+	1,975	1,975	5	9	9215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215	9,215
Total	50,336	50,700	3,328	25,779	25,779	25,779	25,779	25,779	25,779	25,779	25,779	25,779	25,779	25,779	25,779	25,779	25,779	25,779

Sonoma

Age Group	Total Population	Total				Male				Female				Household				Household Rate										
		Population	Quarters	Population	Quarters	Population	Quarters	Population	Quarters	Population	Quarters	Population	Quarters	Population	Quarters	Population	Quarters											
ALL	110,852	1,021,717	735	63	57,977	56,603	494	26	0.0005	53,855	53,614	241	36	0.0007	10,820	726	59	56,270	55,782	488	25	0.0004	53,075	52,837	228	34	0.0007	
18-24	38,773	367,722	1601	7218	19,609	18,966	1003	4151	0.2231	18,764	18,166	598	3067	0.1688	18-24	1581	6449	19325	18334	991	3938	0.2148	18334	17902	281	2910	0.1508	
25-34	37,089	350,848	1541	40,997	37,570	36,450	1115	18365	0.0454	37,819	37,893	1211	532	0.2750	25-34	1581	6449	19325	18334	991	3938	0.2148	18334	17902	281	2910	0.1508	
35-44	37,089	350,848	1541	40,997	37,570	36,450	1115	2875	0.0765	36,450	36,450	1115	2875	0.0765	35-44	1581	6449	19325	18334	991	3938	0.2148	18334	17902	281	2910	0.1508	
45-54	37,089	350,848	1541	40,997	37,570	36,450	1115	3019	0.0832	36,119	35,990	129	1211	0.3365	45-54	1581	6449	19325	18334	991	3938	0.2148	18334	17902	281	2910	0.1508	
55-64	37,089	350,848	1541	40,997	37,570	36,450	1115	16224	0.0718	36,124	35,918	139,95	6613	0.3410	55-64	1581	6449	19325	18334	991	3938	0.2148	18334	17902	281	2910	0.1508	
65+	37,089	350,848	1541	40,997	37,570	36,450	1115	24261	0.2131	34,160	33,672	1488	18785	0.5137	65+	1581	6449	19325	18334	991	3938	0.2148	18334	17902	281	2910	0.1508	
Total	110,852	1,021,717	735	63	57,977	56,603	494	26	0.0005	53,855	53,614	241	36	0.0007	10,820	726	59	56,270	55,782	488	25	0.0004	53,075	52,837	228	34	0.0007	
WHITE	44,368	438,100	1,021,717	735	63	57,977	56,603	494	26	0.0005	53,855	53,614	241	36	0.0007	10,820	726	59	56,270	55,782	488	25	0.0004	53,075	52,837	228	34	0.0007
18-24	80,108	796,572	449	40	41,318	41,011	307	16	0.0004	38,766	38,646	142	23	0.0006	18-24	1581	6449	19325	18334	991	3938	0.2148	18334	17902	281	2910	0.1508	
25-34	29,611	285,262	1085	5086	15,082	14,449	633	3332	0.2306	14,559	14,077	452	2554	0.1814	25-34	1581	6449	19325	18334	991	3938	0.2148	18334	17902	281	2910	0.1508	
35-44	42,899	418,339	1060	5187	20,421	19,746	819	3962	0.1919	19,746	19,746	819	3962	0.1919	35-44	1581	6449	19325	18334	991	3938	0.2148	18334	17902	281	2910	0.1508	
45-54	42,899	418,339	1060	5187	20,421	19,746	819	3962	0.1919	19,746	19,746	819	3962	0.1919	45-54	1581	6449	19325	18334	991	3938	0.2148	18334	17902	281	2910	0.1508	
55-64	42,899	418,339	1060	5187	20,421	19,746	819	3962	0.1919	19,746	19,746	819	3962	0.1919	55-64	1581	6449	19325	18334	991	3938	0.2148	18334	17902	281	2910	0.1508	
65+	42,899	418,339	1060	5187	20,421	19,746	819	3962	0.1919	19,746	19,746	819	3962	0.1919	65+	1581	6449	19325	18334	991	3938	0.2148	18334	17902	281	2910	0.1508	
Total	44,368	438,100	1,021,717	735	63	57,977	56,603	494	26	0.0005	53,855	53,614	241	36	0.0007	10,820	726	59	56,270	55,782	488	25	0.0004	53,075	52,837	228	34	0.0007
HERSPANIC	34,671	338,703	1,021,717	735	63	57,977	56,603	494	26	0.0005	53,855	53,614	241	36	0.0007	10,820	726	59	56,270	55,782	488	25	0.0004	53,075	52,837	228	34	0.0007
18-24	22,643	226,431	168	12	11,699	11,593	106	6	0.0005	11,112	11,050	62	7	0.0006	18-24	1581	6449	19325	18334	991	3938	0.2148	18334	17902	281	2910	0.1508	
25-34	5880	58,800	337	849	3,057	2,792	265	537	0.1925	2,833	2,761	72	12	0.1129	25-34	1581	6449	19325	18334	991	3938	0.2148	18334	17902	281	2910	0.1508	
35-44	10,570	105,700	302	4186	13,033	12,534	289	1,289	0.1052	12,534	12,534	289	1,289	0.1052	35-44	1581	6449	19325	18334	991	3938	0.2148	18334	17902	281	2910	0.1508	
45-54	5,506	55,060	80	2,823	2,869	2,795	74	2,095	0.1764	2,833	2,761	72	12	0.1129	45-54	1581	6449	19325	18334	991	3938	0.2148	18334	17902	281	2910	0.1508	
55-64	2,565	25,650	30	1,360	1,339	1,315	24	1,029	0.1764	1,339	1,315	24	1,029	0.1764	55-64	1581	6449	19325	18334	991	3938	0.2148	18334	17902	281	2910	0.1508	
65+	2,832	27,773	55	1,675	1,277	1,260	17	1,035	0.1764	1,260	1,236	24	36	0.1764	65+	1581	6449	19325	18334	991	3938	0.2148	18334	17902	281	2910	0.1508	
Total	58,800	588,000	337	849	3,057	2,792	265	537	0.1925	2,833	2,761	72	12	0.1129	58,800	588,000	337	849	3,057	2,792	265	537	0.1925	2,833	2,761	72	12	0.1129
BLACK	2,243	21,682	75	5	1,131	1,082	49	0	0.0000	1,112	1,086	26	5	0.0046	18-24	1581	6449	19325	18334	991	3938	0.2148	18334	17902	281	2910	0.1508	
18-24	816	8,160	94	154	441	379	62	89	0.2340	379	343	32	65	0.1901	18-24	1581	6449	19325	18334	991	3938	0.2148	18334	17902	281	2910	0.1508	
25-34	1,097	10,970	128	452	515	465	45	438	0.1706	465	429	15	212	0.4605	25-34	1581	6449	19325	18334	991	3938	0.2148	18334	17902	281	2910	0.1508	
35-44	784	7,840	24	503	467	448	19	352	0.1764	465	429	15	212	0.4605	35-44	1581	6449	19325	18334	991	3938	0.2148	18334	17902	281	2910	0.1508	
45-54	373	3,730	7	254	203	198	5	179	0.1764	198	186	2	76	0.4510	45-54	1581	6449	19325	18334	991	3938	0.2148	18334	17902	281	2910	0.1508	
55-64	373	3,730	7	254	203	198	5	179	0.1764	198	186	2	76	0.4510	55-64	1581	6449	19325	18334	991	3938	0.2148	18334	17902	281	2910	0.1508	
65+	6527	65,270	11	263	182	174	8	152	0.1764	174	166	3	110	0.5714	65+	1581	6449	19325	18334	991	3938	0.2148	18334	17902	281	2910	0.1508	
Total	2,243	21,682	75	5	1,131	1,082	49	0	0.0000	1,112	1,086	26	5	0.0046	2,243	21,682	75	5	1,131	1,082	49	0	0.0000	1,112	1,086	26	5	0.0046
OTHER	5,792	57,920	43	5	2,948	2,917	32	4	0.0014	2,843	2,832	11	1	0.0005	18-24	1581	6449	19325	18334	991	3938	0.2148	18334	17902	281	2910	0.1508	
18-24	2,056	20,560	85	330	1,029	966	43	193	0.1959	966	927	42	137	0.1366	18-24	1581	6449	19325	18334	991	3938	0.2148	18334	17902	281	2910	0.1508	
25-34	3,232	32,320	90	452	1,111	1,059	43	116	0.1366	1,059	1,027	32	42	0.1366	25-34	1581	6449	19325	18334	991	3938	0.2148	18334	17902	281	2910	0.1508	
35-44	2,787	27,870	7	1,452	1,244	1,238	6	1,034	0.1366	1,238	1,215	12	398	0.2364	35-44	1581	6449	19325	18334	991	3938	0.2148	18334	17902	281	2910	0.1508	
45-54	1,430	14,300	12	750	640	631	9	525	0.1366	631	618	3	225	0.2865	45-54	1581	6449	19325	18334	991	3938	0.2148	18334	17902	281	2910	0.1508	
55-64	1,548	15,480	1522	24	810	633	621	12	491	0.1366	633	621	12	319	0.3540	55-64	1581	6449	19325	18334	991	3938	0.2148	18334	17902	281	2910	0.1508
65+	1,900	19,000	259	5853	9,333	9,173	160	410	0.4514	9,173	8,943	99	1843	0.1795	65+	1581	6449	19325	18334	991	3938	0.2148	18334	17902	281	2910	0.1508	
Total	19,000	190,000	259	5853	9,333	9,173	160	410	0.4514	9,173	8,943	99	1843	0.1795	19,000	190,000	259	5853	9,333	9,173	160	410	0.4514	9,173	8,943	99	1843	0.1795

Appendix A

	1999 <u>Actual</u>	2006 <u>Trend</u>	2006 <u>1999 rates</u>	2006 <u>Average</u>	2006 <u>90 rate</u>
HH Pop	6,637,559	7,261,931	7,261,931	7,261,938	7,261,931
HHs	2,397,254	2,495,473	2,627,997	2,705,615	2,800,397
pp/hh	2.77	2.91	2.76	2.68	2.59

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

June 5, 1998

Kim Dellinger, Deputy Director
 Cathy Creswell, Assistant Deputy Director
 Division of Housing Policy Development
 1800 3rd Street, Room 430
 Sacramento, CA 95814

Dear Kim and Cathy,

It was a pleasure meeting with you last week and talking through the upcoming housing needs determination process. Your insights and information are greatly appreciated.

Paul Fassinger, Alex Amoroso and I have spoken about the process we would like to follow in distributing housing numbers to our member jurisdictions. Our intent is to incorporate the following elements:

- A video relating to housing needs and opportunities. This will showcase creative and successful strategies, and would be shown to policymaker, staff, interest groups and the public (through public access TV stations).
- Convening a committee of professional planners to develop needs assessment distribution methodology
- Housing briefing forums and white papers developed in conjunction with HCD
- Integrated programming with Bay Area housing advocates

We believe this holistic approach could pave the way to a less stormy process for our members and provide a textbook approach to this sticky subject matter. We hope to work closely with your office in developing this work program.

As a follow-up to our conversation, Paul, Alex and I have some requests. We are interested in any information you can send regarding methodologies, which in your experience are useful as models for our endeavor. In order to accomplish our objectives, we request that you advocate a six-month extension to our deadline. Finally, we ask that monies for our work be identified in the budget, or that we have greater clarity about how we will be reimbursed in a timely fashion for our work.

Mailing Address: P.O. Box 2000 Oakland, California 94612-2000 Tel: (415) 464-7400 Fax: (415) 464-7401 info@abag.org
 Location: Union P. Bldg. MetroCenter 111 Elgin Street Oakland, California 94612-2000

Appendix A

Hopefully, your experience with us in previous housing related issues can give you a level of comfort that we intend to do an excellent job with this process. Our “Blueprint for Housing” document has become a widely used educational tool, and our ongoing participation in legislative matters related to housing shows our commitment to this important planning issue. Please consider our requests and feel free to contact us if you have any comments or questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'G. Binger', with a long horizontal flourish extending to the right.

Gary Binger
Deputy Executive Director

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



August 23, 1999

Cathy Creswell, Acting Deputy Director
 Department of Housing and Community Development
 1800 3rd Street, Room 430
 Sacramento, CA 95814

Re: Regional Housing Needs Determination (RHND) Numbers

Dear Ms. Creswell,

Thank you for meeting with Paul Fassinger and me. We appreciate the time that you and Linda Wheaton spent with us in reviewing potential RHND numbers for the Bay Area region. ABAG is embarking on the distribution of regional need, and we are very interested in obtaining numbers from HCD as soon as possible. To that end, I would like to note and clarify several issues discussed at our meeting of August 18, 1999.

In reviewing the working draft numbers shown to us by your office, we noted that the vacancy rates identified for both ownership and rental units in the Bay Area appear to be too high. The Bay Area market is currently showing very low vacancy rates compared with those you have identified (1.5% ownership and 5% rental).

Statistics presented by your office suggest a decreasing household size over the next few years to 2.72 Persons/ House Hold. This downward shift in household density suggests a problem with the HCD methodology. Due to demographic changes in the Bay Area region, ABAG anticipates a higher number.

The number of "replacement" housing units as well as the "seasonal and withheld" units also appears high. The reason for this may be that the data source is the 1990 Census, and the Bay Area housing market has changed dramatically since that time.

Mailing Address: P.O. Box 2050 Oakland, California 94604-2050 (510) 464-7900 Fax: (510) 464-7970 info@abag.ca.gov
 Location: Joseph P. Bort MetroCenter 101 Eighth Street Oakland, California 94607-4756

Appendix A

Paul and I believe that some adjustment in these areas is needed. We hope to confer further about the RHND numbers in the very near future. ABAG's Regional Needs process is contingent on receiving numbers from HCD. Our schedule was set based upon receiving numbers from HCD on July 1, 1999. Since we are still awaiting numbers from HCD, our schedule is on hold.

Please feel free to contact Paul or me if you have any questions. Thank you again for meeting with us.

Sincerely,



Alex Amoroso, Senior Planner

C: Eugene Leong, Executive Director
Gary Binger, Deputy Executive Director
Paul Fassinger, Research Director

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



September 24, 1999

Cathy Creswell, Acting Deputy Director
 California State Department of Housing and Community Development
 1800 3rd Street, Room 430
 Sacramento, CA 95814

Re: Regional Housing Needs Numbers for the Bay Area (ABAG Region)

Dear Ms. Creswell,

Thank you for meeting with us recently to discuss the Regional Housing Needs process and draft numbers. We have digested the information and spoken further with Linda Wheaton of your office. Several issues remain unresolved, and we are in need of information to evaluate the draft numbers your office is asking us to accept. The following bulleted items list our concerns and informational requests.

- There is a significant discrepancy between ABAG Projections through 2006 and the draft numbers from your office. While ABAG Projections show anticipated growth of approximately 24,000 units per year, HCD projections suggest a “housing need” of approximately 38,000 units per year. It is unclear how this difference between growth and need has been determined. To that end, we have requested information from Linda Wheaton about her assumptions and calculations to reach your figures. To date, we have not received the requested materials.
- It is unclear whether or not we need to gain approval of our methodology from your office prior to distributing numbers to our jurisdictions. We are currently gathering information related to what the Bay Area jurisdictions have accomplished in meeting their goals from 1989. We plan to incorporate this data into our methodology and use it to lessen burdens on those cities that have supplied low and very-low income housing units. We want to know if it is necessary to have your approval in how we accomplish this task.
- We are aware that part of the HCD calculations shows a drop in household size over the next Regional Housing Needs distribution period. This is in direct opposition to our own household size numbers (which show anticipated increases). Household size may be the biggest factor that impacts the differences in our numbers. We request that you re-evaluate this factor in your methodology.

Mailing Address: P.O. Box 2050 Oakland, California 94604-2050 (510) 464-7900 Fax: (510) 464-7970 info@abag.ca.gov
 Location: Joseph P. Bort MetroCenter 101 Eighth Street Oakland, California 94607-4756



Appendix A

We would like to agree upon a number that can be validly shown to positively impact availability of affordable housing. It is not clear to us that the current draft numbers draw a correlation between the number of units to be built, and the affordability of housing. Please understand that our concerns are twofold. We agree that affordable housing must be built in reasonable numbers, and we know that the regional number must have some basis in realism, even as a goal. Gary Binger and I would like to set a time to speak with you by phone, or in person to further negotiate through this process.

Thank you for your consideration of these matters. Feel free to contact me at 510.464.7955 so that we can meet.

Sincerely,



Alex Amoroso, Senior Planner

C: Eugene Leong, Executive Director
Gary Binger, Deputy Executive Director
Paul Fassinger, Research Director

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

December 21, 1999

Cathy Creswell, Acting Deputy Director
 Department of Housing and Community Development
 1800 3rd Street, Room 430
 Sacramento, CA 95814

Re: Allocation of Regional Housing Needs shares to counties

Dear Cathy,

I would like to follow-up with you on our conversation recently regarding distribution of housing needs within unincorporated county lands. During that conversation, I noted that the ABAG Regional Housing Needs Determination (RHND) process was under way, and that we had released preliminary numbers to each jurisdiction. The results of the distribution, along with our methodology and other information are available on our web site www.abag.ca.gov under the Planning Issues button. While we were speaking, I also raised the issue of units being assigned to counties in our region.

One of the concerns raised by each county and numerous cities is the large number of units assigned to the unincorporated areas. This concern has raised the following:

- Infrastructure availability in unincorporated areas
- Potential for promoting sprawl rather than compact development
- A majority of Bay Area counties have adopted policy or guidelines focussed on urbanized growth rather than growth in unincorporated areas.

To protect these interests, we are developing a method and policy framework for redistributing housing need responsibilities between the cities and counties at times of annexation. It appears that no process exists for redistribution of need, so ABAG will suggest a program that would include the following concepts:

- A separation of housing units within unincorporated areas that are identified within the sphere of influence (SOI) of each jurisdiction and those units identified outside of the SOIs.
- A method for redistributing those units in the SOIs between the city and county, upon annexation of land between jurisdictions.
- A method for calculating the housing need within a given geographical area by identifying its percentage of the actual SOI lands, and to be negotiated between the jurisdictions with no loss of overall housing need units.

Mailing Address: P.O. Box 2050 Oakland, California 94604-2050 (510) 464-7900 Fax: (510) 464-7977 info@abag.ca.gov
 Location: Joseph P. Bort MetroCenter 101 Eighth Street Oakland, California 94612-1111

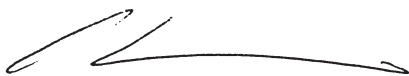


Appendix A

We plan to proceed along this path and present such a program to our Executive Board on January 19 for their review. I understand that you will seek legal counsel from the State, to determine how this course of action might be undertaken. I will forward you our Executive Board packets related to this item as we work through it and look forward to working with you in this task.

Please feel free to contact me if you have any questions regarding this issue.

Sincerely,



Alex Amoroso, Senior Planner

C: ABAG jurisdictions
Eugene Leong, Executive Director
Gary Binger Planning Director
Ken Moy, Legal Counsel

ASSOCIATION OF BAY AREA GOVERNMENTS
EXECUTIVE BOARD

RESOLUTION 07-01

RESOLUTION AUTHORIZING ADOPTION OF REVISIONS
TO THE ALLOCATION OF REGIONAL HOUSING NEEDS
IN ACCORDANCE WITH THE APPEALS COMMITTEE

WHEREAS, the Association of Bay Area Governments (hereinafter "ABAG") is a joint powers agency formed pursuant to the agreement of its members and California Government Code §§ 6500, *et seq.*, and is the council of governments (COG) for the San Francisco Bay Area; and

WHEREAS, pursuant to the Housing Element Law ("Act") at California Government Code §§ 65580, *et seq.*, each COG and the California Department of Housing and Community Development (HCD) are required to determine the existing and projected housing needs in the COG's region; and

WHEREAS, each COG is further required to determine each city's and county's share of the regional housing needs; and

WHEREAS, ABAG has prepared and circulated, for public review and comment, a draft allocation of regional housing needs; and

WHEREAS, on November 16, 2000, the ABAG Executive Board adopted an allocation of regional housing needs; and

WHEREAS, ten (10) jurisdictions appealed their allocations, and on January 25, 2001, each appeal was considered by an Appeals Committee duly authorized by the Executive Board to hear such appeals; and

WHEREAS, the Appeals Committee rendered its decisions on the appeals as described in Attachment A, including revising the income distribution of the City of Richmond's allocation and a reduction of four hundred forty-one (441) units in the City of Alameda's allocation.

NOW THEREFORE BE IT RESOLVED, that the Executive Board of the Association of Bay Area Governments Executive Board hereby:

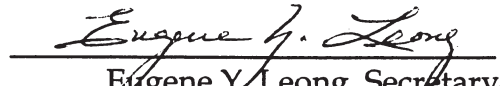
- (a) revises the income distribution of the City of Richmond's allocation in accordance with the Appeals Committee decision; and
- (b) does not revise the City of Alameda's allocation in any manner; and

- (c) authorizes staff to forward to the Department of Housing and Community Development the allocation of regional housing needs adopted on November 16, 2000, or revised by this resolution.

PASSED AND ADOPTED THIS 15th day of March, 2001.

SIGNED:


William J. "Bill" Carroll, President
Treasurer


Eugene Y. Leong, Secretary-



Appendix B

Housing Element Law

*Regional Housing Needs Determination
Association of Bay Area Governments*

Government Code Section 65580-65589.8

Section 65580. The Legislature finds and declares as follows:

§65580(a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.

§65580(b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.

§65580(c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.

§65580(d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.

§65580(e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.

Section 65581. It is the intent of the Legislature in enacting this article:

§65581(a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.

§65581(b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.

§65581(c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.

§65581(d) To ensure that each local government cooperates with other local governments in order to address regional housing needs.

Section 65582. Definitions

As used in this article:

§65582(a) “Community,” “locality,” “local government,” or “jurisdiction” means a city, city and county, or county.

§65582(b) “Council of governments” means a single or multicounty council created by a joint powers agreement pursuant to Chapter 5 (commencing with Section 6500) of Division 1 of Title 1.

§65582(c) “Department” means the Department of Housing and Community Development.

§65582(d) “Housing element” or “element” means the housing element of the community’s general plan, as required pursuant to this article and subdivision (c) of Section 65302.

§65582(e) “Low- and moderate-income households” means persons and families of low or moderate incomes as defined by Section 50093 of the Health and Safety Code.

Section 65583. Housing Element Requirements

The housing element shall consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. The

housing element shall identify adequate sites for housing, including rental housing, factory-built housing, and mobilehomes, and shall make adequate provision for the existing and projected needs of all economic segments of the community. The element shall contain all of the following:

§65583(a) An assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs. The assessment and inventory shall include the following:

§65583(a) (1) An analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected housing needs for all income levels. These existing and projected needs shall include the locality's share of the regional housing need in accordance with Section 65584.

§65583(a) (2) An analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition.

§65583(a) (3) An inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites.

§65583(a) (4) An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Section 65584.

§65583(a) (5) An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, and the cost of construction.

§65583(a) (6) An analysis of any special housing needs, such as those of the handicapped, elderly, large families, farmworkers, families with female heads of households, and families and persons in need of emergency shelter.

§65583(a) (7) An analysis of opportunities for energy conservation with respect to residential development.

§65583(a) (8) An analysis of existing assisted housing developments that are eligible to change from low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use. "Assisted housing developments," for the purpose of this section, shall mean multifamily rental housing that receives governmental assistance under federal programs listed in subdivision (a) of Section 65863.10, state and local multifamily revenue bond programs, local redevelopment programs, the federal Community Development Block Grant Program, or local in-lieu fees.

"Assisted housing developments" shall also include multifamily rental units that were developed pursuant to a local inclusionary housing program or used to qualify for a density bonus pursuant to Section 65916.

§65583(a) (8) (A) The analysis shall include a listing of each development by project name and address, the type of governmental assistance received, the earliest possible date of change from low-income use and the total number of elderly and nonelderly units that could be lost from the locality's low-income housing stock in each year during the 10-year period. For purposes of state and federally funded projects, the analysis required by this subparagraph need only contain information available on a statewide basis.

Appendix B

§65583(a) (8) (B) The analysis shall estimate the total cost of producing new rental housing that is comparable in size and rent levels, to replace the units that could change from low-income use, and an estimated cost of preserving the assisted housing developments. This cost analysis for replacement housing may be done aggregately for each five-year period and does not have to contain a project by project cost estimate.

§65583(a) (8) (C) The analysis shall identify public and private nonprofit corporations known to the local government which have legal and managerial capacity to acquire and manage these housing developments.

§65583(a) (8) (D) The analysis shall identify and consider the use of all federal, state, and local financing and subsidy programs which can be used to preserve, for lower income households, the assisted housing developments, identified in this paragraph, including, but not limited to, federal Community Development Block Grant Program funds, tax increment funds received by a redevelopment agency of the community, and administrative fees received by a housing authority operating within the community.

In considering the use of these financing and subsidy programs, the analysis shall identify the amounts of funds under each available program which have not been legally obligated for other purposes and which could be available for use in preserving assisted housing developments.

§65583(b) (1) A statement of the community's goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing.

§65583(b) (2) It is recognized that the total housing needs identified pursuant to subdivision (a) may exceed available resources and the community's ability to satisfy this need within the content of the general plan requirements outlined in Article 5 (commencing with Section 65300). Under these circumstances, the

quantified objectives need not be identical to the total housing needs. The quantified objectives shall establish the maximum number of housing units by income category that can be constructed, rehabilitated, and conserved over a five-year time period.

§65583(c) A program which sets forth a five-year schedule of actions the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element through the administration of land use and development controls, provision of regulatory concessions and incentives, and the utilization of appropriate federal and state financing and subsidy programs when available and the utilization of moneys in a Low and Moderate Income Housing Fund of an agency if the locality has established a redevelopment project area pursuant to the Community Redevelopment Law (Division 24 (commencing with Section 33000) of the Health and Safety Code). In order to make adequate provision for the housing needs of all economic segments of the community, the program shall do all of the following:

§65583(c)(1)(A) Identify adequate sites which will be made available through appropriate zoning and development standards and with services and facilities, including sewage collection and treatment, domestic water supply, and septic tanks and wells, needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, emergency shelters, and transitional housing in order to meet the community's housing goals as identified in subdivision (b). Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by right, including density and development standards

that could accommodate and facilitate the feasibility of housing for very low and low-income households. Where the inventory of sites pursuant to paragraph (3) of subdivision (a) does not identify adequate sites to accommodate the need for farmworker housing, the program shall provide for sufficient sites to meet the need with zoning that permits farmworker housing use by right, including density and development standards that could accommodate and facilitate the feasibility of the development of farmworker housing for low and very low income households.

§65583(c)(1)(B) For purposes of this paragraph, the phrase “use by right” shall mean the use does not require a conditional use permit, except when the proposed project is a mixed-use project involving both commercial or industrial uses and residential uses. Use by right for all rental multifamily residential housing shall be provided in accordance with subdivision (f) of Section 65589.5.

§65583(c)(1)(C) The requirements of this subdivision regarding identification of sites for farmworker housing shall apply commencing with the next revision of housing elements required by Section 65588 following the enactment of this subparagraph.

§65583(c)(2) Assist in the development of adequate housing to meet the needs of low- and moderate-income households.

§65583(c)(3) Address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing.

§65583(c)(4) Conserve and improve the condition of the existing affordable housing stock, which may include addressing ways to mitigate the loss of dwelling units demolished by public or private action.

§65583(c)(5) Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, or color.

§65583(c)(6) (A) Preserve for lower income households the assisted housing developments identified pursuant to paragraph (8) of subdivision (a). The program for preservation of the assisted housing developments shall utilize, to the extent necessary, all available federal, state, and local financing and subsidy programs identified in paragraph (8) of subdivision (a), except where a community has other urgent needs for which alternative funding sources are not available. The program may include strategies that involve local regulation and technical assistance.

§65583(c)(6) (B) The program shall include an identification of the agencies and officials responsible for the implementation of the various actions and the means by which consistency will be achieved with other general plan elements and community goals. The local government shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort.

§65583(d) The analysis and program for preserving assisted housing developments required by the amendments to this section enacted by the Statutes of 1989 shall be adopted as an amendment to the housing element by July 1, 1992.

§65583(e) Failure of the department to review and report its findings pursuant to Section 65585 to the local government between July 1, 1992, and the next periodic review and revision required by Section 65588, concerning the housing element amendment required by the amendments to this section by the Statutes of 1989, shall not be used as a basis for allocation or denial of any housing assistance administered pursuant to Part 2 (commencing with Section 50400) of Division 31 of the Health and Safety Code.

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Section 65583.1. State Evaluation of Housing Element

§65583.1(a) The Department of Housing and Community Development, in evaluating a proposed or adopted housing element for consistency with state law, may allow a city or county to identify adequate sites, as required pursuant to Section 65583, by a variety of methods, including, but not limited to, redesignation of property to a more intense land use category and increasing the density allowed within one or more categories.

Nothing in this section reduces the responsibility of a city or county to identify, by income category, the total number of sites for residential development as required by this article.

§65583.1(b) Sites that contain permanent housing units located on a military base undergoing closure or conversion as a result of action pursuant to the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526), the Defense Base Closure and Realignment Act of 1990 (Public Law 101-510), or any subsequent act requiring the closure or conversion of a military base may be identified as an adequate site if the housing element demonstrates that the housing units will be available for occupancy by households within the planning period of the element. No sites containing housing units scheduled or planned for demolition or conversion to nonresidential uses shall qualify as an adequate site. Any city, city and county, or county using this subdivision shall address the progress in meeting this section in the reports provided pursuant to paragraph (1) of subdivision (b) of Section 65400.

§65583.1(c)(1) The Department of Housing and Community Development may allow a city or county to substitute the provision of units for up to 25 percent of the community's obligation to identify adequate sites for any income category in its housing element pursuant to paragraph (1) of subdivision (c) of Section 65583 if the community includes in its housing element a program committing the local government to

provide units in that income category within the city or county that will be made available through the provision of committed assistance during the planning period covered by the element to low- and very low income households at affordable housing costs or affordable rents, as defined in Sections 50052.5 and 50053 of the Health and Safety Code, and which meet the requirements of paragraph (2). Except as otherwise provided in this subdivision, the community may substitute one dwelling unit for one dwelling unit site in the applicable income category. The program shall do all of the following:

§65583.1(c)(1)(A) Identify the specific, existing sources of committed assistance and dedicate a specific portion of the funds from those sources to the provision of housing pursuant to this subdivision.

§65583.1(c)(1)(B) Indicate the number of units that will be provided to both low- and very low income households and demonstrate that the amount of dedicated funds is sufficient to develop the units at affordable housing costs or affordable rents.

§65583.1(c)(1)(C) Demonstrate that the units meet the requirements of paragraph (2).

§65583.1(c)(2) Only units that comply with subparagraph (A), (B), or (C) qualify for inclusion in the housing element program described in paragraph (1), as follows:

§65583.1(c)(2)(A) Units that are to be substantially rehabilitated with committed assistance from the city or county and constitute a net increase in the community's stock of housing affordable to low- and very low income households. For purposes of this subparagraph, a unit is not eligible to be "substantially rehabilitated" unless all of the following requirements are met:

§65583.1(c)(2)(A) (i) At the time the unit is identified for substantial rehabilitation, (I) the local government has determined that the unit is at imminent risk of loss to the housing stock, (II) the local government has committed to provide relocation assistance pursuant to Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 to any occupants temporarily or permanently displaced by the rehabilitation or code enforcement activity, (III) the local government requires that any displaced occupants will have the right to reoccupy the rehabilitated units, and (IV) the unit has been cited and found by the local code enforcement agency or a court to be unfit for human habitation and vacated or subject to being vacated because of the existence for not less than 120 days of four of the conditions listed in subdivisions (a) to (g), inclusive, of Section 17995.3 of the Health and Safety Code.

§65583.1(c)(2)(A) (ii) The rehabilitated unit will have long-term affordability covenants and restrictions that require the unit to be available to, and occupied by, persons or families of low- or very low income at affordable housing costs for at least 20 years or the time period required by any applicable federal or state law or regulation, except that if the period is less than 20 years, only one unit shall be credited as an identified adequate site for every three units rehabilitated pursuant to this section, and no credit shall be allowed for a unit required to remain affordable for less than 10 years. (iii) Prior to initial occupancy after rehabilitation, the local code enforcement agency shall issue a certificate of occupancy indicating compliance with all applicable state and local building code and health and safety code requirements.

§65583.1(c)(2)(B) Units that are located in a multifamily rental housing complex of 16 or more units, are converted with committed assistance from the city or county from nonaffordable to affordable by acquisition of the unit or the purchase of affordability covenants and restrictions for the unit, are not acquired by eminent do-

main, and constitute a net increase in the community's stock of housing affordable to low- and very low income households. For purposes of this subparagraph, a unit is not converted by acquisition or the purchase of affordability covenants unless all of the following occur:

§65583.1(c)(2)(B) (i) The unit is made available at a cost affordable to low- or very low income households.

§65583.1(c)(2)(B) (ii) At the time the unit is identified for acquisition, the unit is not available at a cost affordable to low- or very low income households.

§65583.1(c)(2)(B) (iii) At the time the unit is identified for acquisition the unit is not occupied by low- or very low income households.

§65583.1(c)(2)(B) (iv) The unit is in decent, safe, and sanitary condition at the time of occupancy.

§65583.1(c)(2)(B) (v) The acquisition price is not greater than 120 percent of the median price for housing units in the city or county.

§65583.1(c)(2)(B) (vi) The unit has long-term affordability covenants and restrictions that require the unit to be affordable to persons of low or very low income for not less than 30 years.

§65583.1(c)(2)(C) Units that will be preserved at affordable housing costs to persons or families of low or very low incomes with committed assistance from the city or county by acquisition of the unit or the purchase of affordability covenants for the unit. For purposes of this subparagraph, a unit shall not be deemed preserved unless all of the following occur:

§65583.1(c)(2)(C) (i) The unit has long-term affordability covenants and restrictions that require the unit to be affordable to and reserved for occupancy by persons of the same or lower income group as the current occupants for a period of at least 40 years.

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§65583.1(c)(2)(C) (ii) The unit is multifamily rental housing that receives governmental assistance under any of the following state and federal programs: Section 221(d)(3) of the National Housing Act (12 U.S.C. Sec. 1715l(d)(3) and (5)); Section 236 of the National Housing Act (12 U.S.C. Sec. 1715z-1); Section 202 of the Housing Act of 1959 (12 U.S.C. Sec. 1701q); for rent supplement assistance under Section 101 of the Housing and Urban Development Act of 1965, as amended (12 U.S.C. Sec. 1701s); under Section 515 of the Housing Act of 1949, as amended (42 U.S.C. Sec. 1485); and any new construction, substantial rehabilitation, moderate rehabilitation, property disposition, and loan management set-aside programs, or any other program providing project-based assistance, under Section 8 of the United States Housing Act of 1937, as amended (42 U.S.C. Sec. 1437f); any state and local multifamily revenue bond programs; local redevelopment programs; the federal Community Development Block Grant Program; and other local housing assistance programs or units that were used to qualify for a density bonus pursuant to Section 65916.

§65583.1(c)(2)(C) (iii) The city or county finds, after a public hearing, that the unit is eligible, and is reasonably expected, to change from housing affordable to low- and very low income households to any other use during the next five years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use.

§65583.1(c)(2)(C) (iv) The unit is in decent, safe, and sanitary condition at the time of occupancy.

§65583.1(c)(2)(C) (v) At the time the unit is identified for preservation it is available at affordable cost to persons or families of low or very low income.

§65583.1(c)(3) This subdivision does not apply to any city or county that, during the current or immediately prior planning period, as defined by Section 65588, has not met any of its share of the regional need for affordable housing, as

defined in Section 65584, for low- and very low income households. A city or county shall document for any such housing unit that a building permit has been issued and all development and permit fees have been paid or the unit is eligible to be lawfully occupied.

§65583.1(c)(4) For purposes of this subdivision, “committed assistance” means that the city or county enters into a legally enforceable agreement during the first two years of the housing element planning period that obligates sufficient available funds to provide the assistance necessary to make the identified units affordable and that requires that the units be made available for occupancy within two years of the execution of the agreement. “Committed assistance” does not include tenant-based rental assistance.

§65583.1(c) (5) For purposes of this subdivision, “net increase” includes only housing units provided committed assistance pursuant to subparagraph (A) or (B) of paragraph (2) in the current planning period, as defined in Section 65588, that were not provided committed assistance in the immediately prior planning period.

§65583.1(c)(6) For purposes of this subdivision, “the time the unit is identified” means the earliest time when any city or county agent, acting on behalf of a public entity, has proposed in writing or has proposed orally or in writing to the property owner, that the unit be considered for substantial rehabilitation, acquisition, or preservation.

§65583.1(c)(7) On July 1 of the third year of the planning period, as defined by Section 65588, in the report required pursuant to Section 65400, each city or county that has included in its housing element a program to provide units pursuant to subparagraph (A), (B), or (C) of paragraph (2) shall report in writing to the legislative body, and to the department within 30 days of making its report to the legislative body, on its progress in providing units pursuant to this subdivision. The report shall identify the spe-

cific units for which committed assistance has been provided or which have been made available to low- and very low income households, and it shall adequately document how each unit complies with this subdivision. If, by July 1 of the third year of the planning period, the city or county has not entered into an enforceable agreement of committed assistance for all units specified in the programs adopted pursuant to subparagraph (A), (B), or (C) of paragraph (2), the city or county shall, not later than July 1 of the fourth year of the planning period, adopt an amended housing element in accordance with Section 65585, identifying additional adequate sites pursuant to paragraph (1) of subdivision (c) of Section 65583 sufficient to accommodate the number of units for which committed assistance was not provided. If a city or county does not amend its housing element to identify adequate sites to address any shortfall, or fails to complete the rehabilitation, acquisition, purchase of affordability covenants, or the preservation of any housing unit within two years after committed assistance was provided to that unit, it shall be prohibited from identifying units pursuant to subparagraph (A), (B), or (C) of paragraph (2) in the housing element that it adopts for the next planning period, as defined in Section 65588, above the number of units actually provided or preserved due to committed assistance.

Section 65584. Regional Housing Needs Determination

§65584(a) For purposes of subdivision (a) of Section 65583, the share of a city or county of the regional housing needs includes that share of the housing need of persons at all income levels within the area significantly affected by a general plan of the city or county.

Statutory Requirements

The distribution of regional housing needs shall, based upon available data, take into consideration market demand for housing, employment opportunities, the availability of suitable sites

and public facilities, commuting patterns, type and tenure of housing need, the loss of units contained in assisted housing developments, as defined in paragraph (8) of subdivision (a) of Section 65583, that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions, and the housing needs of farmworkers.

The distribution shall seek to reduce the concentration of lower income households in cities or counties which already have disproportionately high proportions of lower income households.

Based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, and in consultation with each council of governments, the Department of Housing and Community Development shall determine the regional share of the statewide housing need at least two years prior to the second revision, and all subsequent revisions as required pursuant to Section 65588.

Based upon data provided by the department relative to the statewide need for housing, each council of governments shall determine the existing and projected housing need for its region.

Within 30 days following notification of this determination, the department shall ensure that this determination is consistent with the statewide housing need. The department may revise the determination of the council of governments if necessary to obtain this consistency.

The appropriate council of governments shall determine the share for each city or county consistent with the criteria of this subdivision and with the advice of the department subject to the procedure established pursuant to subdivision (c) at least one year prior to the second revision, and at five-year intervals following the second revision pursuant to Section 65588.

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The council of governments shall submit to the department information regarding the assumptions and methodology to be used in allocating the regional housing need.

As part of the allocation of the regional housing need, the council of governments, or the department pursuant to subdivision (b), shall provide each city and county with data describing the assumptions and methodology used in calculating its share of the regional housing need.

The department shall submit to each council of governments information regarding the assumptions and methodology to be used in allocating the regional share of the statewide housing need.

As part of its determination of the regional share of the statewide housing need, the department shall provide each council of governments with data describing the assumptions and methodology used in calculating its share of the statewide housing need.

The councils of governments shall provide each city and county with the department's information.

The council of governments shall provide a subregion with its share of the regional housing need, and delegate responsibility for providing allocations to cities and a county or counties in the subregion to a subregional entity if this responsibility is requested by a county and all cities in the county, a joint powers authority established pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1, or the governing body of a subregional agency established by the council of governments, in accordance with an agreement entered into between the council of governments and the subregional entity that sets forth the process, timing, and other terms and conditions of that delegation of responsibility.

§65584(b) For areas with no council of governments, the department shall determine housing market areas and define the regional housing need for cities and counties within these areas pursuant to the provisions for the distribution

of regional housing needs in subdivision (a). If the department determines that a city or county possesses the capability and resources and has agreed to accept the responsibility, with respect to its jurisdiction, for the identification and determination of housing market areas and regional housing needs, the department shall delegate this responsibility to the cities and counties within these areas.

§65584(c)(1) Within 90 days following a determination of a council of governments pursuant to subdivision (a), or the department's determination pursuant to subdivision (b), a city or county may propose to revise the determination of its share of the regional housing need in accordance with the considerations set forth in subdivision (a). The proposed revised share shall be based upon available data and accepted planning methodology, and supported by adequate documentation.

§65584(c)(2) Within 60 days after the time period for the revision by the city or county, the council of governments or the department, as the case may be, shall accept the proposed revision, modify its earlier determination, or indicate, based upon available data and accepted planning methodology, why the proposed revision is inconsistent with the regional housing need. (A) If the council of governments or the department, as the case may be, does not accept the proposed revision, then the city or county shall have the right to request a public hearing to review the determination within 30 days. (B) The city or county shall be notified within 30 days by certified mail, return receipt requested, of at least one public hearing regarding the determination. (C) The date of the hearing shall be at least 30 days from the date of the notification. (D) Before making its final determination, the council of governments or the department, as the case may be, shall consider comments, recommendations, available data, accepted planning methodology, and local geological and topographic restraints on the production of housing.

§65584(c)(3) If the council of governments or the department accepts the proposed revision or modifies its earlier determination, the city or county shall use that share. If the council of governments or the department grant a revised allocation pursuant to paragraph (1), the council of governments or the department shall ensure that the current total housing need is maintained. If the council of governments or department indicates that the proposed revision is inconsistent with the regional housing need, the city or county shall use the share which was originally determined by the council of governments or the department.

§65584(c)(4) The determination of the council of governments or the department, as the case may be, shall be subject to judicial review pursuant to Section 1094.5 of the Code of Civil Procedure.

§65584(c)(5) The council of governments or the department shall reduce the share of regional housing needs of a county if all of the following conditions are met:

§65584(c)(5) (A) One or more cities within the county agree to increase its share or their shares in an amount which will make up for the reduction.

§65584(c)(5) (B) The transfer of shares shall only occur between a county and cities within that county.

§65584(c)(5) (C) The county's share of low-income and very low income housing shall be reduced only in proportion to the amount by which the county's share of moderate- and above moderate-income housing is reduced.

§65584(c)(5) (D) The council of governments or the department, whichever assigned the county's share, shall have authority over the approval of the proposed reduction, taking into consideration the criteria of subdivision (a).

§65584(c)(6) The housing element shall contain an analysis of the factors and circumstances, with all supporting data, justifying the revision. All materials and data used to justify any revision shall be made available upon request by any interested party within seven days upon payment of reasonable costs of reproduction unless the costs are waived due to economic hardship.

§65584(d)(1) Except as provided in paragraph (2), any ordinance, policy, or standard of a city or county that directly limits, by number, the building permits that may be issued for residential construction, or limits for a set period of time the number of buildable lots that may be developed for residential purposes, shall not be a justification for a determination or a reduction in the share of a city or county of the regional housing need.

§65584(d)(2) Paragraph (1) does not apply to any city or county that imposes a moratorium on residential construction for a specified period of time in order to preserve and protect the public health and safety. If a moratorium is in effect, the city or county shall, prior to a revision pursuant to subdivision (c), adopt findings that specifically describe the threat to the public health and safety and the reasons why construction of the number of units specified as its share of the regional housing need would prevent the mitigation of that threat.

§65584(e) Any authority to review and revise the share of a city or county of the regional housing need granted under this section shall not constitute authority to revise, approve, or disapprove the manner in which the share of the city or county of the regional housing need is implemented through its housing program.

§65584(f) A fee may be charged interested parties for any additional costs caused by the amendments made to subdivision (c) by Chapter 1684 of the Statutes of 1984 reducing from 45 to seven days the time within which materials and data shall be made available to interested parties.

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§65584(g) Determinations made by the department, a council of governments, or a city or county pursuant to this section are exempt from the California Environmental Quality Act, Division 13 (commencing with Section 21000) of the Public Resources Code.

Section 65584.5. Transfer of Housing Needs Responsibilities

§65584.5(a) A city or county may transfer a percentage of its share of the regional housing needs to another city or county, if all of the following requirements are met:

§65584.5(a)(1) Both the receiving city or county and the transferring city or county comply with all of the conditions specified in subdivision (b).

§65584.5(a)(2) The council of governments or the department reviews the findings made pursuant to paragraph (2) of subdivision (c).

§65584.5(a)(3) The transfer does not occur more than once in a five-year housing element interval pursuant to subdivision (b) of Section 65588.

§65584.5(a)(4) The procedures specified in subdivision (c) are met.

§65584.5(b)(1) Except as provided in paragraph (5) of subdivision (c) of Section 65584, a city or county transferring a share of its regional housing needs shall first have met, in the current or previous housing element cycle, at least 15 percent of its existing share of the region's affordable housing needs, as defined in Section 65584, in the very low and lower income category of income groups defined in Section 50052.5 of the Health and Safety Code if it proposes to transfer not more than 15 percent. In no event, however, shall the city or county transfer more than 500 dwelling units in a housing element cycle.

§65584.5(b)(2) A city or county shall transfer its regional housing needs in the same proportion by income group as the jurisdiction has met its regional housing needs.

§65584.5(b)(3) The transfer shall be only between jurisdictions that are contiguously situated or between a receiving city or county that is within 10 miles of the territory of the community of the donor city or county. If both the donor community and receiving community are counties, the donor county shall be adjacent to, in the same council of governments region as, and in the same housing market as, the receiving county. The sites on which any transferred housing units will be constructed shall be in the receiving city or county, and within the same housing market area as the jurisdiction of the donor city or county.

§65584.5(b)(4) The transferring and receiving city or county shall have adopted, and shall be implementing, a housing element in substantial compliance with Section 65583.

§65584.5(b)(5) The transferring city or county and the receiving city or county shall have completed, and provided to the department, the annual report required by subdivision (b) of Section 65400.

§65584.5(c)(1) The donor city or county and the receiving city or county shall, at least 45 days prior to the transfer, hold a public hearing, after providing notice pursuant to Section 6062, to solicit public comments on the draft contract, including its terms, conditions, and determinations.

§65584.5(c)(2) The transferring and the receiving city or county shall do all of the following: (A) Adopt a finding, based on substantial evidence on the record, that the transfer of the regional housing need pursuant to the terms of the agreement will not cause or exacerbate racial, ethnic, or economic segregation and will not create a detrimental financial impact upon the receiving city or county. (B) Adopt a finding, based on substantial evidence on the record, that the transfer of the regional housing need will result in the construction of a greater number of similar type dwelling units than if the transfer does not occur.

§65584.5(c)(3) (A) The transferring city or county and the receiving city or county shall enter into an agreement to transfer units eligible under subdivision (b). A copy of this agreement shall be sent to the council of governments and the department to be kept on file for public examination.

§65584.5(c)(3) (B) The agreement shall include a plan and schedule for timely construction of dwelling units, including, in addition to site identification, identification of and timeframes for applying for sufficient subsidy or mortgage financing if the units need a subsidy or mortgage financing, and a finding that sufficient services and public facilities will be provided.

§65584.5(c)(4) At least 60 days prior to the transfer, the receiving city or county planning agency and the transferring city or county planning agency shall submit to the department a draft amendment to reflect the identified transferred units. A transferring agency may reduce its housing needs only to the extent that it had not previously reduced its housing needs pursuant to paragraph (2) of subdivision (b) of Section 65583. A county planning agency that has its share of the regional housing need reduced pursuant to paragraph (5) of subdivision (c) of Section 65584 shall comply with this section. A receiving city or county shall, in addition to any other provisions of the article, identify in its housing element sufficient sites to meet its initial low- and moderate-income housing needs and sufficient sites to meet all transferred housing needs.

§65584.5(c)(5) The department shall review the draft amendment and report its written findings to the planning agency within 45 days of its receipt.

§65584.5(c)(6) The department's review shall follow the same procedure, requirements, and responsibilities of Sections 65583, 65585, 65587, and 65589.3. The court shall consider any written findings submitted by the department.

§65584.5(d) No transfer made pursuant to this section shall affect the plans for a development that have been submitted to a city or county for approval 45 days prior to the adoption of the amendment to the housing element.

§65584.5(e) No transfer made pursuant to this section shall be counted toward any ordinance or policy of a locality that specifically limits the number of units that may be constructed.

§65584.5(f) The Attorney General or any other interested person shall have authority to enforce the terms of the agreement and the provisions of this section.

§65584.5(g) For a period of five years after the transfer occurs, the report required by subdivision (b) of Section 65400 shall include information on the status of transferred units, implementation of the terms and conditions of the transfer contract, and information on any dwelling units actually constructed, including the number, type, location, and affordability requirements in place for these units.

§65584.5(h)(1) At least 60 days prior to the proposed transfer, the donor city or county shall submit the proposed agreement to the council of governments, or to the department if there is no council of governments that serves the city or county, for review. The governing board of the council or the director shall determine whether there is substantial evidence to support the terms, conditions, and determinations of the agreement and whether the agreement complies with the substantive and procedural requirements of this section. If the council or the director finds that there is substantial evidence to support the terms, conditions, and determinations of the agreement, and that the agreement complies with the substantive and procedural requirements of this section, the participating jurisdictions may proceed with the agreement. If the governing board or the director finds that there is not substantial evidence to support the terms, conditions, and findings of the agreement, or that the agreement does

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not comply with the substantive and procedural requirements of this section, the board or the director may make recommendations for revising or terminating the agreement. The participating jurisdictions shall then include those revisions, if any, or terminate the agreement.

§65584.5(h)(2) The council or the director may convene a committee to advise the council or the director in conducting this review. The donor city or county and the receiving community shall pay the council's or the department's costs associated with the committee. Neither the donor city or county, nor the receiving city or county, may expend moneys in its Low and Moderate Income Housing Fund of its redevelopment agency for costs associated with the committee.

§65584.5(h)(3) Membership of the committee appointed pursuant to paragraph (2) shall include all of the following:

§65584.5(h)(3) (A) One representative appointed by the director.

§65584.5(h)(3) (B) One representative appointed by the donor agency.

§65584.5(h)(3)(C) One representative appointed by the receiving community.

§65584.5(h)(3)(D) Two low- and moderate-income housing advocates, appointed by the director, who represent those persons in that region.

§65584.5(h)(3)(D)(i) (1) The receiving city or county shall construct the housing units within three years of the date that the transfer contract is entered into pursuant to this section. This requirement shall be met by documenting that a building permit has been issued and all fees have been paid.

§65584.5(h)(3)(D)(i) (2) Any portion of a regional share allocation that is transferred to another jurisdiction, and that is not constructed within the three-year deadline set forth in paragraph (1), shall be reallocated by the council of governments to the transferring city or county, and

the transferring city or county shall modify its zoning ordinance, if necessary, and amend its housing element to reflect the reallocated units.

§65584.5(h)(3)(D)(i) (3) If, at the end of the five-year housing element planning period, any portion of a regional share allocation that is transferred to another jurisdiction is not yet constructed, the council of governments shall add the unbuilt units to the normal regional fair share allocation and reallocate that amount to either of the following: (A) The receiving city, if the three-year deadline for construction has not yet occurred; or (B) The transferring city, if the three-year deadline for construction has occurred.

§65584.5(h)(3)(D)(i)(4) If the transferred units are not constructed within three years, the nonperforming jurisdictions participating in the transfer of regional share allocations shall be precluded from transferring their regional shares, pursuant to this section, for the planning period of the next periodic update of the housing element.

§65584.5(j) On or after January 1, 2000, no transferring city or county shall enter into an agreement pursuant to this section unless a later enacted statute, which is enacted before January 1, 2000, deletes or extends that date.

§65584.5(k) If Article XXXIV of the California Constitution is applicable, the receiving city or county shall certify that it has sufficient authority under Article XXXIV of the California Constitution to allow development of units transferred pursuant to this section.

§65584.5(l) The receiving city or county shall not, within three years of the date of the transfer agreement entered into pursuant to this section, or until transferred units are constructed, whichever is longer, enter into a contract to transfer units outside the territorial jurisdiction of the agency pursuant to this section.

§65584.5(m) Communities that have transferred a portion of their share of the regional housing need to another city or county pursuant to this section shall comply with all other provisions of law for purposes of meeting the remaining regional housing need not transferred, including compliance with the provisions of Section 65589.5.

§65584.5(n) As used in this section, “housing market area” means the area determined by a council of governments or the department pursuant to Section 65584, and based upon market demand for housing, employment opportunities, the availability of suitable sites and public facilities, and commuting patterns.

§65584.5(o) This section shall not be construed to interfere with the right of counties to transfer shares of regional housing needs pursuant to paragraph (5) of subdivision (c) of Section 65584.

Section 65584.6. Special Provisions for Napa County

§65584.6(a) The County of Napa may, during its current housing element planning period, identified in Section 65588, meet up to 15 percent of its existing share of the regional housing need for lower income households, as defined in Section 65584, by committing funds for the purpose of constructing affordable housing units, and constructing those units in one or more cities within the county, only after all of the following conditions are met:

§65584.6(a)(1) An agreement has been executed between the county and the receiving city or cities, following a public hearing held by the county and the receiving city or cities to solicit public comments on the draft agreement. The agreement shall contain information sufficient to demonstrate that the county and city or cities have complied with the requirements of this section and shall also include the following:

§65584.6(a)(1) (A) A plan and schedule for timely construction of dwelling units.

§65584.6(a)(1) (B) Site identification by street address for the units to be developed.

§65584.6(a)(1) (C) A statement either that the sites upon which the units will be developed were identified in the receiving city’s housing element as potential sites for the development of housing for lower-income households, or that the units will be developed on previously unidentified sites.

§65584.6(a)(1) (D) The number and percentage of the county’s lower-income housing needs previously transferred, for the appropriate planning period, pursuant to this section.

§65584.6(a)(2) The council of governments that assigned the county’s share receives and approves each proposed agreement to meet a portion of the county’s fair share housing allocation within one or more of the cities within the county after taking into consideration the criteria of subdivision (a) of Section 65584. If the council of governments fails to take action to approve or disapprove an agreement between the county and the receiving city or cities within 45 days following the receipt of the agreement, the agreement shall be deemed approved.

§65584.6(a)(3) The city or cities in which the units are developed agree not to count the units towards their share of the region’s affordable housing need.

§65584.6(a)(4) The county and the receiving city or cities, based on substantial evidence on the record, make the following findings: (A) Adequate sites with appropriate zoning exist in the receiving city or cities to accommodate the units to be developed pursuant to this section. The agreement shall demonstrate that the city or cities have identified sufficient vacant or underutilized or vacant and underutilized sites in their housing elements to meet their existing share of regional housing need, as allocated by the council of governments pursuant to subdivision (a) of Section 65584, in addition to the sites needed to construct the units pursuant to this section. (B) If needed, additional subsidy or financing for the construction of the units is available. (C) The receiving city or cities have

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housing elements that have been found by the Department of Housing and Community Development to be in compliance with this article.

§65584.6(a)(5) If the sites upon which units are to be developed pursuant to this section were previously identified in the receiving city's housing element as potential sites for the development of housing sufficient to accommodate the receiving city's share of the lower income household need identified in its housing element, then the receiving city shall have amended its housing element to identify replacement sites by street address for housing for lower-income households. Additionally, the Department of Housing and Community Development shall have received and reviewed the amendment and found that the city's housing element continues to comply with this article.

§65584.6(a)(6) The county and receiving city or cities shall have completed, and provided to the department, the annual report required by subdivision (b) of Section 65400.

§65584.6(a)(7) For a period of five years after a transfer occurs, the report required by subdivision (b) of Section 65400 shall include information on the status of transferred units, implementation of the terms and conditions of the transfer agreement, and information on any dwelling units actually constructed, including the number, type, location, and affordability requirements.

§65584.6(a)(8) The receiving city demonstrates that it has met, in the current or previous housing element cycle, at least 20 percent of its share of the regional need for housing for very low-income households allocated to the city pursuant to Section 65584.

§65584.6(b) The credit that the county receives pursuant to this section shall not exceed 40 percent of the number of units that are affordable to lower income households and constructed and occupied during the same housing element cycle in unincorporated areas of the county. The county shall only receive the credit after the

units have been constructed and occupied. Within 60 days of issuance of a certificate of occupancy for the units, the county shall inform the council of governments and the department in writing that a certificate of occupancy has been issued.

§65584.6(c) Concurrent with the review by the council of governments prescribed by this section, the Department of Housing and Community Development shall evaluate the agreement to determine whether the city or cities are in substantial compliance with this section. The department shall report the results of its evaluation to the county and city or cities for inclusion in their record of compliance with this section.

§65584.6(d) If at the end of the five-year period identified in subdivision (c) of Section 65583, any percentage of the regional share allocation has not been constructed as provided pursuant to subdivision (a), or, after consultation with the department, the council of governments determines that the requirements of paragraphs (5) and (7) of subdivision (a) have not been substantially complied with, the council of governments shall add the unbuilt units to Napa County's regional share allocation for the planning period of the next periodic update of the housing element.

§65584.6 (e) Napa County shall not meet a percentage of its share of the regional share pursuant to subdivision (a) on or after June 30, 2007, unless a later enacted statute, that is enacted before June 30, 2007, deletes or extends that date.

Section 65585. Housing Element Review and Update Process

§65585(a) In the preparation of its housing element, each city and county shall consider the guidelines adopted by the department pursuant to Section 50459 of the Health and Safety Code. Those guidelines shall be advisory to each city or county in the preparation of its housing element.

§65585(b) At least 90 days prior to adoption of its housing element, or at least 60 days prior to the adoption of an amendment to this element, the planning agency shall submit a draft element or draft amendment to the department. The department shall review the draft and report its written findings to the planning agency within 90 days of its receipt of the draft in the case of an adoption or within 60 days of its receipt in the case of a draft amendment.

§65585(c) In the preparation of its findings, the department may consult with any public agency, group, or person. The department shall receive and consider any written comments from any public agency, group, or person regarding the draft or adopted element or amendment under review.

§65585(d) In its written findings, the department shall determine whether the draft element or draft amendment substantially complies with the requirements of this article.

§65585(e) Prior to the adoption of its draft element or draft amendment, the legislative body shall consider the findings made by the department. If the department's findings are not available within the time limits set by this section, the legislative body may act without them.

§65585(f) If the department finds that the draft element or draft amendment does not substantially comply with the requirements of this article, the legislative body shall take one of the following actions:

§65585(f)(1) Change the draft element or draft amendment to substantially comply with the requirements of this article.

§65585(f)(2) Adopt the draft element or draft amendment without changes. The legislative body shall include in its resolution of adoption written findings which explain the reasons the legislative body believes that the draft element or draft amendment substantially complies with the requirements of this article despite the findings of the department.

§65585(g) Promptly following the adoption of its element or amendment, the planning agency shall submit a copy to the department.

§65585(h) The department shall, within 90 days, review adopted housing elements or amendments and report its findings to the planning agency.

§65586.

Local governments shall conform their housing elements to the provisions of this article on or before October 1, 1981. Jurisdictions with housing elements adopted before October 1, 1981, in conformity with the housing element guidelines adopted by the Department of Housing and Community Development on December 7, 1977, and located in Subchapter 3 (commencing with Section 6300) of Chapter 6 of Part 1 of Title 25 of the California Administrative Code, shall be deemed in compliance with this article as of its effective date. A locality with a housing element found to be adequate by the department before October 1, 1981, shall be deemed in conformity with these guidelines.

§65587.

§65587(a) Each city, county, or city and county shall bring its housing element, as required by subdivision (c) of Section 65302, into conformity with the requirements of this article on or before October 1, 1981, and the deadlines set by Section 65588. Except as specifically provided in subdivision (b) of Section 65361, the Director of Planning and Research shall not grant an extension of time from these requirements.

§65587(b) Any action brought by any interested party to review the conformity with the provisions of this article of any housing element or portion thereof or revision thereto shall be brought pursuant to Section 1085 of the Code of Civil Procedure; the court's review of compliance with the provisions of this article shall extend to whether the housing element or portion thereof or revision thereto substantially complies with the requirements of this article.

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§65587(c) If a court finds that an action of a city, county, or city and county, which is required to be consistent with its general plan, does not comply with its housing element, the city, county, or city and county shall bring its action into compliance within 60 days. However, the court shall retain jurisdiction throughout the period for compliance to enforce its decision. Upon the court's determination that the 60-day period for compliance would place an undue hardship on the city, county, or city and county, the court may extend the time period for compliance by an additional 60 days.

Section 65588. Housing Element Update Schedule

§65588(a) Each local government shall review its housing element as frequently as appropriate to evaluate all of the following:

§65588(a) (1) The appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal.

§65588(a) (2) The effectiveness of the housing element in attainment of the community's housing goals and objectives.

§65588(a) (3) The progress of the city, county, or city and county in implementation of the housing element.

§65588(b) The housing element shall be revised as appropriate, but not less than every five years, to reflect the results of this periodic review.

§65588(c) The review and revision of housing elements required by this section shall take into account any low- or moderate-income housing provided or required pursuant to Section 65590.

§65588(d) The review pursuant to subdivision (c) shall include, but need not be limited to, the following:

§65588(d)(1) The number of new housing units approved for construction within the coastal zone after January 1, 1982.

§65588(d)(2) The number of housing units for persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, required to be provided in new housing developments either within the coastal zone or within three miles of the coastal zone pursuant to Section 65590.

§65588(d)(3) The number of existing residential dwelling units occupied by persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, that have been authorized to be demolished or converted since January 1, 1982, in the coastal zone.

§65588(d)(4) The number of residential dwelling units for persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, that have been required for replacement or authorized to be converted or demolished as identified in paragraph (3). The location of the replacement units, either onsite, elsewhere within the locality's jurisdiction within the coastal zone, or within three miles of the coastal zone within the locality's jurisdiction, shall be designated in the review.

§65588(e) Notwithstanding subdivision (b) or the date of adoption of the housing elements previously in existence, the dates of revisions for the housing element shall be modified as follows:

§65588(e)(1) Local governments within the regional jurisdiction of the Southern California Association of Governments: December 31, 2000, for the third revision, and June 30, 2005, for the fourth revision.

§65588(e)(2) Local governments within the regional jurisdiction of the Association of Bay Area Governments: December 31, 2001, for the third revision, and June 30, 2006, for the fourth revision.

§65588(e)(3) Local governments within the regional jurisdiction of the Council of Fresno County Governments, the Kern County Council of Governments, the Sacramento Area Council of Governments, and the Association of Monterey Bay Area Governments: June 30, 2002, for the third revision, and June 30, 2007, for the fourth revision.

§65588(e)(4) Local governments within the regional jurisdiction of the San Diego Association of Governments: December 31, 1999, for the third revision cycle ending June 30, 1999, and June 30, 2004, for the fourth revision.

§65588(e)(5) All other local governments: June 30, 2003, for the third revision, and June 30, 2008, for the fourth revision.

§65588(e)(6) Subsequent revisions shall be completed not less often than at five-year intervals following the fourth revision.

Section 65588.1.

§65588.1(a) The planning period of existing housing elements prepared pursuant to subdivision (b) of Section 65588 shall be extended through the housing element due date prescribed in subdivision (e) of Section 65588. Local governments shall continue to implement the housing program of existing housing elements and the annual review pursuant to Section 65400.

§65588.1(b) The extension provided in this section shall not limit the existing responsibility under subdivision (b) of Section 65588 of any jurisdiction to adopt a housing element in conformance with this article.

§65588.1(c) It is the intent of the Legislature that nothing in this section shall be construed to reinstate any mandates pursuant to Chapter 1143 of the Statutes of 1980 suspended by the Budget Act of 1993-94.

Section 65589.

§65589(a) Nothing in this article shall require a city, county, or city and county to do any of the following:

§65589(a)(1) Expend local revenues for the construction of housing, housing subsidies, or land acquisition.

§65589(a)(2) Disapprove any residential development which is consistent with the general plan.

§65589(b) Nothing in this article shall be construed to be a grant of authority or a repeal of any authority which may exist of a local government to impose rent controls or restrictions on the sale of real property.

§65589(c) Nothing in this article shall be construed to be a grant of authority or a repeal of any authority which may exist of a local government with respect to measures that may be undertaken or required by a local government to be undertaken to implement the housing element of the local general plan.

§65589(d) The provisions of this article shall be construed consistent with, and in promotion of, the statewide goal of a sufficient supply of decent housing to meet the needs of all Californians.

Section 65589.3.

In any action filed on or after January 1, 1991, taken to challenge the validity of a housing element, there shall be a rebuttable presumption of the validity of the element or amendment if, pursuant to Section 65585, the department has found that the element or amendment substantially complies with the requirements of this article.

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Section 65589.5.

§65589.5(a) The Legislature finds all of the following:

§65589.5(a)(1) The lack of affordable housing is a critical problem which threatens the economic, environmental, and social quality of life in California.

§65589.5(a)(2) California housing has become the most expensive in the nation. The excessive cost of the state's housing supply is partially caused by activities and policies of many local governments which limit the approval of affordable housing, increase the cost of land for affordable housing, and require that high fees and exactions be paid by producers of potentially affordable housing.

§65589.5(a)(3) Among the consequences of those actions are discrimination against low-income and minority households, lack of housing to support employment growth, imbalance in jobs and housing, reduced mobility, urban sprawl, excessive commuting, and air quality deterioration.

§65589.5(a)(4) Many local governments do not give adequate attention to the economic, environmental, and social costs of decisions which result in disapproval of affordable housing projects, reduction in density of affordable housing projects, and excessive standards for affordable housing projects.

§65589.5(b) It is the policy of the state that a local government not reject or make infeasible affordable housing developments which contribute to meeting the housing need determined pursuant to this article without a thorough analysis of the economic, social, and environmental effects of the action and without meeting the provisions of subdivision (d).

§65589.5(c) The Legislature also recognizes that premature and unnecessary development of agricultural lands to urban uses continues to have adverse effects on the availability of those lands for food and fiber production and on the

economy of the state. Furthermore, it is the policy of the state that development should be guided away from prime agricultural lands; therefore, in implementing this section, local jurisdictions should encourage, to the maximum extent practicable, in filling existing urban areas.

§65589.5(d) A local agency shall not disapprove a housing development project affordable to very low, low- or moderate-income households or condition approval in a manner which renders the project infeasible for development for the use of very low, low- or moderate-income households unless it makes written findings, based upon substantial evidence in the record, as to one of the following:

§65589.5(d)(1) The jurisdiction has adopted a housing element pursuant to this article that has been revised in accordance with Section 65588 and that is in substantial compliance with this article, and the development project is not needed for the jurisdiction to meet its share of the regional housing need for very low, low-, or moderate-income housing.

§65589.5(d)(2) The development project as proposed would have a specific, adverse impact upon the public health or safety, and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low- and moderate-income households. As used in this paragraph, a "specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.

§65589.5(d)(3) The denial of the project or imposition of conditions is required in order to comply with specific state or federal law, and there is no feasible method to comply without rendering the development unaffordable to low- and moderate-income households.

§65589.5(d)(4) Approval of the development project would increase the concentration of lower income households in a neighborhood that already has a disproportionately high number of lower income households and there is no feasible method of approving the development at a different site, including those sites identified pursuant to paragraph (1) of subdivision (c) of Section 65583, without rendering the development unaffordable to low- and moderate-income households.

§65589.5(d)(5) The development project is proposed on land zoned for agriculture or resource preservation which is surrounded on at least two sides by land being used for agricultural or resource preservation purposes, or which does not have adequate water or wastewater facilities to serve the project.

§65589.5(d)(6) The development project is inconsistent with both the jurisdiction's zoning ordinance and general plan land use designation as specified in any element of the general plan as it existed on the date the application was deemed complete, and the jurisdiction has adopted a housing element pursuant to this article.

§65589.5(e) Nothing in this section shall be construed to relieve the local agency from complying with the Congestion Management Program required by Chapter 2.6 (commencing with Section 65088) of Division 1 of Title 7 or the California Coastal Act (Division 20 (commencing with Section 30000) of the Public Resources Code). Neither shall anything in this section be construed to relieve the local agency from making one or more of the findings required pursuant to Section 21081 of the Public Resources Code or otherwise complying with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

§65589.5(f) Nothing in this section shall be construed to prohibit a local agency from requiring the development project to comply with written development standards, conditions, and policies appropriate to, and consistent with, meeting the quantified objectives relative to the development of housing, as required in the housing element pursuant to subdivision (b) of Section 65583. Nothing in this section shall be construed to prohibit a local agency from imposing fees and other exactions otherwise authorized by law which are essential to provide necessary public services and facilities to the development project.

§65589.5(g) This section shall be applicable to charter cities because the Legislature finds that the lack of affordable housing is a critical statewide problem.

§65589.5(h) The following definitions apply for the purposes of this section:

§65589.5(h)(1) "Feasible" means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors.

§65589.5(h)(2) "Affordable to very low, low-, or moderate-income households" means that either (A) at least 20 percent of the total units shall be sold or rented to lower income households, as defined in Section 50079.5 of the Health and Safety Code, or (B) 100 percent of the units shall be sold or rented to moderate-income households as defined in Section 50093 of the Health and Safety Code, or middle-income households, as defined in Section 65008 of this code. Housing units targeted for lower income households shall be made available at a monthly housing cost that does not exceed 30 percent of 60 percent of area median income with adjustments for household size made in accordance with the adjustment factors on which the lower income eligibility limits are based. Housing units targeted for persons and families of moderate income shall be made available at a monthly housing cost that does not exceed 30

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percent of 100 percent of area median income with adjustments for household size made in accordance with the adjustment factors on which the moderate income eligibility limits are based.

§65589.5(h)(3) “Area median income” shall mean area median income as periodically established by the Department of Housing and Community Development pursuant to Section 50093 of the Health and Safety Code. The developer shall provide sufficient legal commitments to ensure continued availability of units for very low or low-income households in accordance with the provisions of this subdivision for 30 years.

§65589.5(h)(4) “Neighborhood” means a planning area commonly identified as such in a community’s planning documents, and identified as a neighborhood by the individuals residing and working within the neighborhood. Documentation demonstrating that the area meets the definition of neighborhood may include a map prepared for planning purposes which lists the name and boundaries of the neighborhood.

§65589.5(h)(5) “Disapprove the development project” includes any instance in which a local agency does either of the following:

§65589.5(h)(5) (A) Votes on a proposed housing development project application and the application is disapproved.

§65589.5(h)(5) (B) Fails to comply with the time periods specified in subparagraph (B) of paragraph (1) of subdivision (a) of Section 65950. An extension of time pursuant to Article 5 (commencing with Section 65950) shall be deemed to be an extension of time pursuant to this paragraph.

§65589.5(i) If any city, county, or city and county denies approval or imposes restrictions, including a reduction of allowable densities or the percentage of a lot which may be occupied by a building or structure under the applicable planning and zoning in force at the time the

application is deemed complete pursuant to Section 65943, which have a substantial adverse effect on the viability or affordability of a housing development affordable to very low, low-, or moderate-income households, and the denial of the development or the imposition of restrictions on the development is the subject of a court action which challenges the denial, then the burden of proof shall be on the local legislative body to show that its decision is consistent with the findings as described in subdivision (d) and that the findings are supported by substantial evidence in the record.

§65589.5(j) When a proposed housing development project complies with applicable, objective general plan and zoning standards and criteria in effect at the time that the housing development project’s application is determined to be complete, but the local agency proposes to disapprove the project or to approve it upon the condition that the project be developed at a lower density, the local agency shall base its decision regarding the proposed housing development project upon written findings supported by substantial evidence on the record that both of the following conditions exist:

§65589.5(j)(1) The housing development project would have a specific, adverse impact upon the public health or safety unless the project is disapproved or approved upon the condition that the project be developed at a lower density. As used in this paragraph, a “specific, adverse impact” means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.

§65589.5(j)(2) There is no feasible method to satisfactorily mitigate or avoid the adverse impact identified pursuant to paragraph (1), other than the disapproval of the housing development project or the approval of the project upon the condition that it be developed at a lower density.

§65589.5(k) If in any action brought to enforce the provisions of this section, a court finds that the local agency disapproved a project or conditioned its approval in a manner rendering it infeasible for the development of very low, low-, or moderate-income households without properly making the findings required by this section or without making sufficient findings supported by substantial evidence, the court shall issue an order or judgment compelling compliance with this section within 60 days, including, but not limited to, an order that the local agency take action on the development project. The court shall retain jurisdiction to ensure that its order or judgment is carried out. If the court determines that its order or judgment has not been carried out within 60 days, the court may issue further orders as provided by law to ensure that the purposes and policies of this section are fulfilled.

§65589.5(l) In any action, the record of the proceedings before the local agency shall be filed as expeditiously as possible and, notwithstanding Section 1094.6 of the Code of Civil Procedure, all or part of the record may be filed (1) by the petitioner with the petition or petitioner's points and authorities, (2) by the respondent with respondent's points and authorities, (3) after payment of costs by the petitioner, or (4) as otherwise directed by the court. If the expense of preparing the record has been borne by the petitioner and the petitioner is the prevailing party, the expense shall be taxable as costs.

Section 65589.6.

In any action taken to challenge the validity of a decision by a city, county, or city and county to disapprove a project or approve a project upon the condition that it be developed at a lower density pursuant to Section 65589.5, the city, county, or city and county shall bear the burden of proof that its decision has conformed to all of the conditions specified in Section 65589.5.

Section 65589.7.

§65589.7(a) The housing element adopted by the legislative body and any amendments made to that element shall be delivered to all public agencies or private entities that provide water services at retail or sewer services within the territory of the legislative body. When allocating or making plans for the allocation of available and future resources or services designated for residential use, each public agency or private entity providing water services at retail or sewer services, shall grant a priority for the provision of these available and future resources or services to proposed housing developments which help meet the city's, county's, or city and county's share of the regional housing need for lower income households as identified in the housing element adopted by the legislative body and any amendments made to that element.

§65589.7(b) This section is intended to neither enlarge nor diminish the existing authority of a city, county or city and county in adopting a housing element. Failure to deliver a housing element adopted by the legislative body or amendments made to that element, to a public agency or private entity providing water services at retail or sewer services shall not invalidate any action or approval of a development project. The special districts which provide water services at retail or sewer services related to development, as defined in subdivision (e) of Section 56426, are included within this section.

§65589.7(c) As used in this section, "water services at retail" means supplying water directly to the end user or consumer of that water, and does not include sale by a water supplier to another water supplier for resale.

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Section 65589.8.

A local government which adopts a requirement in its housing element that a housing development contain a fixed percentage of affordable housing units, shall permit a developer to satisfy all or a portion of that requirement by constructing rental housing at affordable monthly rents, as determined by the local government. Nothing in this section shall be construed to expand or contract the authority of a local government to adopt an ordinance, charter amendment, or policy requiring that any housing development contain a fixed percentage of affordable housing units.



Appendix C

Assembly Bill 438

Torlakson, D-Martinez

*Regional Housing Needs Determination
Association of Bay Area Governments*

Assembly Bill 438, Torlakson, D- Martinez

(1) Existing law requires each city, county, and city and county to adopt for its jurisdiction, according to specified deadlines, a general plan that includes certain mandatory elements, including a housing element. Under existing law, the housing element identifies and analyzes existing and projected housing needs as well as a statement of goals, policies, quantified objectives, and scheduled programs for the preservation, improvement, and development of housing. Further, under existing law the Legislature has declared that the availability of housing is a matter of vital statewide importance and the early attainment of decent housing and a suitable living environment for every California family is a priority of the highest order.

This bill would state the intent of the Legislature to amend the Planning and Zoning Law relating to the housing element of a community's general plan to assist local governmental entities, builders, housing developers, sponsors, and planners in producing the greatest number of safe, sanitary, decent, and affordable housing units by the most cost-effective means possible.

(2) Existing law requires that each planning agency provide an annual report to the legislative body on progress in meeting regional housing needs, as specified, and requires that the report be provided, using forms and definitions adopted by the Department of Housing and Community Development pursuant to the Administrative Procedure Act, to the legislative body on or before July 1 of each year.

This bill would require that the annual report also be provided to the Office of Planning and Research and the Department of Housing and Community Development. This requirement would impose a state-mandated local program.

(3) Existing law requires the Department of Housing and Community Development to evaluate each housing element for consistency with state law including, among other things, a requirement for a program setting forth a 5-year schedule of actions the local government is undertaking or intends to undertake to achieve the goals of the housing element that includes the identification of sites to be made available to encourage the development of a variety of types of housing for all income levels. It permits the department to allow a local government to identify adequate sites for this purpose by a variety of methods, as specified.

This bill would authorize the department to allow a city or county to substitute the provision of units for up to 25% of its site identification obligation if it includes in its housing element a program to provide units within the city or county in any income category that will be made available to low- and very low income households through the provision of committed assistance, as defined, subject to specified criteria.

(4) Existing law prescribes criteria for the department to determine the distribution of regional housing needs based on data provided by the Department of Finance, in consultation with each council of governments.

This bill would require that determination to be based on specified population projections and forecasts.

(5) Existing law requires the appropriate council of governments to determine the regional housing need and city and county shares. This bill would require the council of governments to provide a subregion with its share of the regional housing need, and to delegate responsibility for providing allocations to cities and counties, upon request of those entities, to a subregional entity according to a prescribed agreement.

Appendix C

(6) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that the Legislature finds there is no mandate contained in the bill that will result in costs incurred by a local agency or school district for a new program or higher level of service which require reimbursement pursuant to these constitutional and statutory provisions.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. It is the intent of the Legislature to amend the Planning and Zoning Law with respect to the housing element of a community's general plan to assist local governmental entities, builders, housing developers, sponsors, and planners in producing the greatest number of safe, sanitary, decent, and affordable housing units by the most cost-effective means possible.

SECTION 2. Section 65400 of the Government Code is amended to read:

65400. After the legislative body has adopted all or part of a general plan, the planning agency shall do both of the following:

(a) Investigate and make recommendations to the legislative body regarding reasonable and practical means for implementing the general plan or element of the general plan, so that it will serve as an effective guide for orderly growth and development, preservation and conservation of open-space land and natural resources, and the efficient expenditure of public funds relating to the subjects addressed in the general plan.

(b) (1) Provide an annual report to the legislative

body, the Office of Planning and Research, and the Department of Housing and Community Development on the status of the plan and progress in its implementation, including the progress in meeting its share of regional housing needs determined pursuant to Section 65584 and local efforts to remove governmental constraints to the maintenance, improvement, and development of housing pursuant to paragraph (3) of subdivision (c) of Section 65583.

(2) The annual report required to be provided to the Office of Planning and Research and the Department of Housing and Community Development pursuant to this subdivision shall be prepared through the use of forms and definitions adopted by the Department of Housing and Community Development pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of, Chapter 4 (commencing with Section 11370) of, and Chapter 5 (commencing with Section 11500) of, Part 1 of Division 3 of Title 2). This report shall be provided to the legislative body, the Office of Planning and Research, and the Department of Housing and Community Development on or before July 1 of each year.

SECTION 3. Section 65583.1 of the Government Code is amended to read:

65583.1. (a) The Department of Housing and Community Development, in evaluating a proposed or adopted housing element for consistency with state law, may allow a city or county to identify adequate sites, as required pursuant to Section 65583, by a variety of methods, including, but not limited to, redesignation of property to a more intense land use category and increasing the density allowed within one or more categories. Nothing in this section reduces the responsibility of a city or county to identify, by income category, the total number of sites for residential development as required by this article.

(b) Sites that contain permanent housing units located on a military base undergoing closure or

conversion as a result of action pursuant to the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526), the Defense Base Closure and Realignment Act of 1990 (Public Law 101-510), or any subsequent act requiring the closure or conversion of a military base may be identified as an adequate site if the housing element demonstrates that the housing units will be available for occupancy by households within the planning period of the element. No sites containing housing units scheduled or planned for demolition or conversion to nonresidential uses shall qualify as an adequate site.

Any city, city and county, or county using this subdivision shall address the progress in meeting this section in the reports provided pursuant to paragraph (1) of subdivision (b) of Section 65400.

(c) (1) The Department of Housing and Community Development may allow a city or county to substitute the provision of units for up to 25 percent of the community's obligation to identify adequate sites for any income category in its housing element pursuant to paragraph (1) of subdivision (c) of Section 65583 if the community includes in its housing element a program committing the local government to provide units in that income category within the city or county that will be made available through the provision of committed assistance during the planning period covered by the element to low- and very low income households at affordable housing costs or affordable rents, as defined in Sections 50052.5 and 50053 of the Health and Safety Code, and which meet the requirements of paragraph (2).

Except as otherwise provided in this subdivision, the community may substitute one dwelling unit for one dwelling unit site in the applicable income category. The program shall do all of the following:

(A) Identify the specific, existing sources of committed assistance and dedicate a specific portion of the funds from those sources to the provision of housing pursuant to this subdivision.

(B) Indicate the number of units that will be provided to both low- and very low income households and demonstrate that the amount of dedicated funds is sufficient to develop the units at affordable housing costs or affordable rents.

(C) Demonstrate that the units meet the requirements of paragraph (2).

(2) Only units that comply with subparagraph (A), (B), or (C) qualify for inclusion in the housing element program described in paragraph (1), as follows:

(A) Units that are to be substantially rehabilitated with committed assistance from the city or county and constitute a net increase in the community's stock of housing affordable to low- and very low income households. For purposes of this subparagraph, a unit is not eligible to be "substantially rehabilitated" unless all of the following requirements are met:

(i) At the time the unit is identified for substantial rehabilitation, (I) the local government has determined that the unit is at imminent risk of loss to the housing stock, (II) the local government has committed to provide relocation assistance pursuant to Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 to any occupants temporarily or permanently displaced by the rehabilitation or code enforcement activity, (III) the local government requires that any displaced occupants will have the right to reoccupy the rehabilitated units, and (IV) the unit has been cited and found by the local code enforcement agency or a court to be unfit for human habitation and vacated or subject to being vacated because of the existence for not less than 120 days of four of the conditions listed in subdivisions (a) to (g), inclusive, of Section 17995.3 of the Health and Safety Code.

(ii) The rehabilitated unit will have long-term affordability covenants and restrictions that require the unit to be available to, and occupied by, persons or families of low- or very low income at affordable housing costs for at least 20 years or the time period required by any applicable federal

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or state law or regulation, except that if the period is less than 20 years, only one unit shall be credited as an identified adequate site for every three units rehabilitated pursuant to this section, and no credit shall be allowed for a unit required to remain affordable for less than 10 years.

(iii) Prior to initial occupancy after rehabilitation, the local code enforcement agency shall issue a certificate of occupancy indicating compliance with all applicable state and local building code and health and safety code requirements.

(B) Units that are located in a multifamily rental housing complex of 16 or more units, are converted with committed assistance from the city or county from nonaffordable to affordable by acquisition of the unit or the purchase of affordability covenants and restrictions for the unit, are not acquired by eminent domain, and constitute a net increase in the community's stock of housing affordable to low- and very low income households. For purposes of this subparagraph, a unit is not converted by acquisition or the purchase of affordability covenants unless all of the following occur:

(i) The unit is made available at a cost affordable to low- or very low income households.

(ii) At the time the unit is identified for acquisition, the unit is not available at a cost affordable to low- or very low income households.

(iii) At the time the unit is identified for acquisition the unit is not occupied by low- or very low income households.

(iv) The unit is in decent, safe, and sanitary condition at the time of occupancy.

(v) The acquisition price is not greater than 120 percent of the median price for housing units in the city or county.

(vi) The unit has long-term affordability covenants and restrictions that require the unit to be affordable to persons of low or very low income for not less than 30 years.

(C) Units that will be preserved at affordable housing costs to persons or families of low or very low incomes with committed assistance from the city or county by acquisition of the unit or the purchase of affordability covenants for the unit. For purposes of this subparagraph, a unit shall not be deemed preserved unless all of the following occur:

(i) The unit has long-term affordability covenants and restrictions that require the unit to be affordable to and reserved for occupancy by persons of the same or lower income group as the current occupants for a period of at least 40 years.

(ii) The unit is multifamily rental housing that receives governmental assistance under any of the following state and federal programs: Section 221(d)(3) of the National Housing Act (12 U.S.C. Sec. 1715(d)(3) and (5)); Section 236 of the National Housing Act (12 U.S.C. Sec. 1715z-1); Section 202 of the Housing Act of 1959 (12 U.S.C. Sec. 1701q); for rent supplement assistance under Section 101 of the Housing and Urban Development Act of 1965, as amended (12 U.S.C. Sec. 1701s); under Section 515 of the Housing Act of 1949, as amended (42 U.S.C. Sec. 1485); and any new construction, substantial rehabilitation, moderate rehabilitation, property disposition, and loan management set-aside programs, or any other program providing project-based assistance, under Section 8 of the United States Housing Act of 1937, as amended (42 U.S.C. Sec. 1437f); any state and local multifamily revenue bond programs; local redevelopment programs; the federal Community Development Block Grant Program; and other local housing assistance programs or units that were used to qualify for a density bonus pursuant to Section 65916.

(iii) The city or county finds, after a public hearing, that the unit is eligible, and is reasonably expected, to change from housing affordable to low- and very low income households to any other use during the next five years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use.

(iv) The unit is in decent, safe, and sanitary condition at the time of occupancy.

(v) At the time the unit is identified for preservation it is available at affordable cost to persons or families of low or very low income.

(3) This subdivision does not apply to any city or county that, during the current or immediately prior planning period, as defined by Section 65588, has not met any of its share of the regional need for affordable housing, as defined in Section 65584, for low- and very low income households. A city or county shall document for any such housing unit that a building permit has been issued and all development and permit fees have been paid or the unit is eligible to be lawfully occupied.

(4) For purposes of this subdivision, “committed assistance” means that the city or county enters into a legally enforceable agreement during the first two years of the housing element planning period that obligates sufficient available funds to provide the assistance necessary to make the identified units affordable and that requires that the units be made available for occupancy within two years of the execution of the agreement. “Committed assistance” does not include tenant-based rental assistance.

(5) For purposes of this subdivision, “net increase” includes only housing units provided committed assistance pursuant to subparagraph (A) or (B) of paragraph (2) in the current planning period, as defined in Section 65588, that were not provided committed assistance in the immediately prior planning period.

(6) For purposes of this subdivision, “the time the unit is identified” means the earliest time when any city or county agent, acting on behalf of a public entity, has proposed in writing or has proposed orally or in writing to the property owner, that the unit be considered for substantial rehabilitation, acquisition, or preservation.

(7) On July 1 of the third year of the planning period, as defined by Section 65588, in the report required pursuant to Section 65400, each city or

county that has included in its housing element a program to provide units pursuant to subparagraph (A), (B), or (C) of paragraph (2) shall report in writing to the legislative body, and to the department within 30 days of making its report to the legislative body, on its progress in providing units pursuant to this subdivision. The report shall identify the specific units for which committed assistance has been provided or which have been made available to low- and very low income households, and it shall adequately document how each unit complies with this subdivision.

If, by July 1 of the third year of the planning period, the city or county has not entered into an enforceable agreement of committed assistance for all units specified in the programs adopted pursuant to subparagraph (A), (B), or (C) of paragraph (2), the city or county shall, not later than July 1 of the fourth year of the planning period, adopt an amended housing element in accordance with Section 65585, identifying additional adequate sites pursuant to paragraph (1) of subdivision (c) of Section 65583 sufficient to accommodate the number of units for which committed assistance was not provided. If a city or county does not amend its housing element to identify adequate sites to address any shortfall, or fails to complete the rehabilitation, acquisition, purchase of affordability covenants, or the preservation of any housing unit within two years after committed assistance was provided to that unit, it shall be prohibited from identifying units pursuant to subparagraph (A), (B), or (C) of paragraph (2) in the housing element that it adopts for the next planning period, as defined in Section 65588, above the number of units actually provided or preserved due to committed assistance.

SECTION 4. Section 65584 of the Government Code is amended to read:

65584. (a) For purposes of subdivision (a) of Section 65583, the share of a city or county of the regional housing needs includes that share of the housing need of persons at all income levels within the area significantly affected by a general plan of the city or county.

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The distribution of regional housing needs shall, based upon available data, take into consideration market demand for housing, employment opportunities, the availability of suitable sites and public facilities, commuting patterns, type and tenure of housing need, the loss of units contained in assisted housing developments, as defined in paragraph (8) of subdivision (a) of Section 65583, that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions, and the housing needs of farmworkers. The distribution shall seek to reduce the concentration of lower income households in cities or counties which already have disproportionately high proportions of lower income households. Based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, and in consultation with each council of governments, the Department of Housing and Community Development shall determine the regional share of the statewide housing need at least two years prior to the second revision, and all subsequent revisions as required pursuant to Section 65588. Based upon data provided by the department relative to the statewide need for housing, each council of governments shall determine the existing and projected housing need for its region. Within 30 days following notification of this determination, the department shall ensure that this determination is consistent with the statewide housing need.

The department may revise the determination of the council of governments if necessary to obtain this consistency. The appropriate council of governments shall determine the share for each city or county consistent with the criteria of this subdivision and with the advice of the department subject to the procedure established pursuant to subdivision (c) at least one year prior to the second revision, and at five-year intervals following the second revision pursuant to Section 65588. The council of governments shall submit to the department information regarding the assumptions and methodology to be used in allocating the regional housing need. As part of the alloca-

tion of the regional housing need, the council of governments, or the department pursuant to subdivision (b), shall provide each city and county with data describing the assumptions and methodology used in calculating its share of the regional housing need. The department shall submit to each council of governments information regarding the assumptions and methodology to be used in allocating the regional share of the statewide housing need. As part of its determination of the regional share of the statewide housing need, the department shall provide each council of governments with data describing the assumptions and methodology used in calculating its share of the statewide housing need. The councils of governments shall provide each city and county with the department's information. The council of governments shall provide a subregion with its share of the regional housing need, and delegate responsibility for providing allocations to cities and a county or counties in the subregion to a subregional entity if this responsibility is requested by a county and all cities in the county, a joint powers authority established pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1, or the governing body of a subregional agency established by the council of governments, in accordance with an agreement entered into between the council of governments and the subregional entity that sets forth the process, timing, and other terms and conditions of that delegation of responsibility.

(b) For areas with no council of governments, the department shall determine housing market areas and define the regional housing need for cities and counties within these areas pursuant to the provisions for the distribution of regional housing needs in subdivision (a).

If the department determines that a city or county possesses the capability and resources and has agreed to accept the responsibility, with respect to its jurisdiction, for the identification and determination of housing market areas and regional housing needs, the department shall delegate this responsibility to the cities and counties within these areas.

(c) (1) Within 90 days following a determination of a council of governments pursuant to subdivision (a), or the department's determination pursuant to subdivision (b), a city or county may propose to revise the determination of its share of the regional housing need in accordance with the considerations set forth in subdivision (a). The proposed revised share shall be based upon available data and accepted planning methodology, and supported by adequate documentation. (2) Within 60 days after the time period for the revision by the city or county, the council of governments or the department, as the case may be, shall accept the proposed revision, modify its earlier determination, or indicate, based upon available data and accepted planning methodology, why the proposed revision is inconsistent with the regional housing need.

(A) If the council of governments or the department, as the case may be, does not accept the proposed revision, then the city or county shall have the right to request a public hearing to review the determination within 30 days.

(B) The city or county shall be notified within 30 days by certified mail, return receipt requested, of at least one public hearing regarding the determination.

(C) The date of the hearing shall be at least 30 days from the date of the notification.

(D) Before making its final determination, the council of governments or the department, as the case may be, shall consider comments, recommendations, available data, accepted planning methodology, and local geological and topographic restraints on the production of housing.

(3) If the council of governments or the department accepts the proposed revision or modifies its earlier determination, the city or county shall use that share. If the council of governments or the department grant a revised allocation pursuant to paragraph (1), the council of governments or the department shall ensure that the current total housing need is maintained. If the council of governments or department indicates that the proposed revision is inconsistent with the regional

housing need, the city or county shall use the share which was originally determined by the council of governments or the department.

(4) The determination of the council of governments or the department, as the case may be, shall be subject to judicial review pursuant to Section 1094.5 of the Code of Civil Procedure.

(5) The council of governments or the department shall reduce the share of regional housing needs of a county if all of the following conditions are met:

(A) One or more cities within the county agree to increase its share or their shares in an amount which will make up for the reduction.

(B) The transfer of shares shall only occur between a county and cities within that county.

(C) The county's share of low-income and very low income housing shall be reduced only in proportion to the amount by which the county's share of moderate- and above moderate-income housing is reduced.

(D) The council of governments or the department, whichever assigned the county's share, shall have authority over the approval of the proposed reduction, taking into consideration the criteria of subdivision (a).

(6) The housing element shall contain an analysis of the factors and circumstances, with all supporting data, justifying the revision.

All materials and data used to justify any revision shall be made available upon request by any interested party within seven days upon payment of reasonable costs of reproduction unless the costs are waived due to economic hardship.

(d) (1) Except as provided in paragraph (2), any ordinance, policy, or standard of a city or county that directly limits, by number, the building permits that may be issued for residential construction, or limits for a set period of time the number of buildable lots that may be developed for residential purposes, shall not be a justification for a determination or a reduction in the share of a city or county of the regional housing need.

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(2) Paragraph (1) does not apply to any city or county that imposes a moratorium on residential construction for a specified period of time in order to preserve and protect the public health and safety. If a moratorium is in effect, the city or county shall, prior to a revision pursuant to subdivision (c), adopt findings that specifically describe the threat to the public health and safety and the reasons why construction of the number of units specified as its share of the regional housing need would prevent the mitigation of that threat.

(e) Any authority to review and revise the share of a city or county of the regional housing need granted under this section shall not constitute authority to revise, approve, or disapprove the manner in which the share of the city or county of the regional housing need is implemented through its housing program.

(f) A fee may be charged interested parties for any additional costs caused by the amendments made to subdivision (c) by Chapter 1684 of the Statutes of 1984 reducing from 45 to seven days the time within which materials and data shall be made available to interested parties.

(g) Determinations made by the department, a council of governments, or a city or county pursuant to this section are exempt from the California Environmental Quality Act, Division 13 (commencing with Section 21000) of the Public Resources Code.

SECTION 5. Pursuant to Section 17579 of the Government Code, the Legislature finds that there is no mandate contained in this act that will result in costs incurred by a local agency or school district for a new program or higher level of service which require reimbursement pursuant to Section 6 of Article XIII B of the California Constitution and Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

Notwithstanding Section 17580 of the Government Code, unless otherwise specified, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.



Appendix D

Overview of Projections

Modeling System

*Regional Housing Needs Determination
Association of Bay Area Governments*

Overview of Projections Modeling System

The ABAG projection system, designed to predict growth and distribution of population, households, employment, income, and labor force characteristics, is structured around three components. These are: a) the regional economic and demographic forecasting system; b) the county employment, population, and income forecasting system; and c) the distribution of jobs and households as a function of available land and assumptions about density and travel demand within counties in the region. The distribution of jobs and households, as well as the total growth forecast, is heavily influenced by information gathered in the Local Policy Survey. Figure 2 illustrates the relationship of the various components of the overall modeling system.

Regional Economic-Demographic System

The projection of regional employment, income, output, population, labor force, and labor demand is performed by the *Regional Economic-Demographic System* (REDS). REDS is an analytical and econometric model which uses a non-survey input/output (I/O) model to drive the interaction in the system. A general overview of the model can be found in “The Design and Implementation of a Regional Economic-Demographic Simulation Model,” by R. Brady and C. M. Yang in the *Annals of Regional Science*, November 1983.

The user of REDS may change up to 16 variables to affect the model’s projection behavior. The system is designed to be user-friendly. REDS divides the economy into 35 industry sectors, and predicts the output, job demand, and capital requirements of each sector. The demand for jobs drives the labor force model which interacts with the migration model. The population model is a Cohort-Survival Model.

REDS has approximately 33 equations in the system. Some are statistical equations developed from time-series data, and hence, constantly updated; others are analytical equations based upon observed behavior in the economy. The latter equations are either differential or difference equations.

County Employment Forecasting System

The projections of employment and income for each of the nine counties of the Bay Area were obtained from the *County Employment Forecasting System* (CEFS). CEFS is an econometric model that makes efficient use of the limited employment data available at the subregional level. It produces county forecasts consistent with the regional employment forecasts of REDS. A complete and thorough discussion of the model can be found in “Industrial and Spatial Interdependency in Modeling: An Empirical Forecasting Model for the Counties in the San Francisco Bay Region” by P. Prastacos and R. Brady in the *Annals of Regional Science*, July 1985.

CEFS recognizes 32 sectors, each sector representing a two-digit SIC code sector or a major industrial group. There is one equation for each sector and county. The equations were specified to account for the industrial and spatial interdependency of activities. Jobs in a particular sector are often dependent on job levels in other sectors in the same county and the region. Spatial interaction is determined by linking employment growth in competing counties and in the entire region with that of employment growth in the dependent counties. “Local serving” employment is more heavily dependent upon local population and income levels.

CEFS uses ordinary least squares technique to develop predictive equations with data from the Census Bureau’s County Business Patterns reports. The results of the regressions were very good and indicate that the relationships depicted in the equations are of empirical value and that they do reflect the economy of the counties. Both the R-squares for the equations and the t-values for the

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individual coefficients were acceptable. Additionally, a dynamic simulation of the estimated model over the period 1964 to 1992 showed that the employment levels forecasted by CEFS are close to actual data. After updating the statistical equations, ABAG produces a report that provides both the statistical information and the updated equations. The most recent update was released in August 1994. The report title and author are: *CEFS, A County Employment Forecasting System for the San Francisco Bay Region*, by E. K. Caindec.

County Population and Household Forecasts

ABAG uses trend analysis to determine long-term growth forecasts for each county's population and households. Linear, exponential, and geometric regression time-series equations are used to predict future growth. The results of these trend equations are summed and averaged.

Trend data are constrained by local development policies which limit housing production, and hence, household growth. In several counties, household and population growth in the forecast exceed the aggregate of local policies over the long term. Short-term growth, however, closely follows development policies.

Subcounty Allocation System

The allocation of population, housing, and employment at the sub-county (zonal) level was carried out using the Projective Optimization Land Use Information System (POLIS). A discussion on the structure of POLIS can be found in the ABAG reports, *A Description of POLIS: The Projective Optimization Landuse Information System* by P. Prastacos & E. K. Caindec, 1995, and *The Basics of POLIS*, by E. K. Caindec, 1991.

The allocation process in POLIS is based on several criteria, some reflecting the behavior of individuals and some describing physical and planning constraints. Residential choice is determined by the travel-to-work and shopping behaviors,

the availability and attractiveness of housing, and the current levels of nearby employment. Retail activity is located in proximity to population centers to maximize sales revenue. The locational patterns of the other industries are influenced by the accessibility to labor supply, the proximity to other similar industries, and local development policies.

POLIS is a structured mathematical programming, optimization problem. That is, the allocation of population and employment is optimized with respect to an objective function or goal while at the same time satisfying planning constraints. POLIS converges after several iterations on a solution that optimally allocates jobs and households, subject to the constraints. It results in housing, employment and trip-flow patterns, which are consistent with each other and the land-use constraints.

The form of the objective function in POLIS is derived from the random utility theory and describes the behavior of individuals (employees) to select among a set of alternatives the one maximizing their utility. The constraints of the model describe the housing and land supplies, the development policies of the different cities, and the employment/housing to be allocated among all the zones within a county.

The Bay Region is subdivided into 119 zones in the POLIS system. Job data are derived from the County Employment Forecasting System (CEFS). The 32 employment categories in CEFS are aggregated separately for each county into four sectors: 1) Manufacturing and Wholesale Trade; 2) Transportation, Communications, Utilities (TCU) and Finance, Insurance, and Real Estate (F.I.R.E.); 3) Retail Trade; and 4) Services. Countywide estimates of household demand, population, and employed resident growth are also provided. Finally, detailed land-use information on potential growth by employment type is provided as input to the system.

Recent calibrations of POLIS indicate that the mathematical structure reasonably simulates historical behavior. ABAG has just completed the process of re-calibrating POLIS using the 1990 Journey to Work and data collected and provided by the Metropolitan Transportation Commission. This calibration was completed in 1994.

Review of Forecasts

All county and subregional forecasts are reviewed by local governments as part of our forecasting process. Although the models ABAG uses are state-of-the-art, models are imperfect replications of reality. Therefore, review by local governments helps ABAG to identify problems at the small area forecast level.



Appendix E

Attorney General's Opinion No. 87-206

*Regional Housing Needs Determination
Association of Bay Area Governments*

Attorney General's Opinion No. 87-206

JOHN K. VAN DE KAMP

Attorney General

SEPTEMBER 29, 1987

THE HONORABLE DAVID ROBERTI, MEMBER, CALIFORNIA STATE SENATE, has requested an opinion on the following questions concerning the determination of a locality's share of the regional housing needs by a council of governments:

1. Must the determination include both the existing and projected housing needs of the locality?
2. Must the availability of suitable housing sites be considered based upon the existing zoning ordinances and land use restrictions of the locality or based upon the potential for increased residential development under alternative zoning ordinances and land use restrictions?
3. Must the income categories of sections 6910-6932 of title 25 of the California Administrative Code be used?

Conclusions

1. The determination of a locality's share of the regional housing needs by a council of governments must include both the existing and projected housing needs of the locality.
2. The availability of suitable housing sites must be considered based not only upon the existing zoning ordinances and land use restrictions of the locality but also based upon the potential for increased residential development under alternative zoning ordinances and land use restrictions.
3. The income categories of sections 6910-6932 of title 25 of the California Administrative Code must be used.

Analysis

The three questions presented for analysis concern a city's or county's share of regional housing needs as determined by a council of governments and set forth in its general plan. In analyzing these questions we preliminarily note that every city and county operates under a comprehensive and long-term general plan to guide its future physical development. (Gov. Code, § 65300; Buena Vista Garden Apartments Assn. v. City of San Diego Planning Dept. (1985) 175 Cal.App.3d 289, 294.) "The general plan is atop the hierarchy of local government law regulating land use." (Neighborhood Action Group v. County of Calaveras (1984) 156 Cal.App.3d 1176, 1183.) Section 65300 states:

"Each planning agency shall prepare and the legislative body of each county and city shall adopt a comprehensive, long-term general plan for the physical development of the county or city, and of any land outside its boundaries which in the planning agency's judgment bears relation to its planning. Chartered cities shall adopt general plans which contain the mandatory elements specified in Section 65302."

Section 65302 provides:

"The general plan shall consist of a statement of development policies and shall include a diagram or diagrams and text setting forth objectives, principles, standards, and plan proposals. The plan shall include the following elements:

"(c) A housing element as provided in Article 10.6 (commencing with Section 65580).

The "housing element as provided in Article 10.6" (§§ 65580-65589.8) must meet detailed requirements. Section 65583 provides:

"The housing element shall consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, and scheduled programs for the preservation, improvement, and development of housing.

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The housing element shall identify adequate sites for housing, including rental housing, factory-built housing, and mobilehomes, and shall make adequate provision for the existing and projected needs of all economic segments of the community. The element shall contain all of the following:

“(a) An assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs. The assessment and inventory shall include the following:

“(1) Analysis of population and employment trends and documentation of projections and a quantification of the locality’s existing and projected housing needs for all income levels. These existing and projected needs shall include the locality’s share of the regional housing need in accordance with Section 65584.

Section 65584 states:

“(a) For purposes of subdivision (a) of Section 65583, a locality’s share of the regional housing needs includes that share of the housing need of persons at all income levels within the area significantly affected by a jurisdiction’s general plan. The distribution of regional housing needs shall, based upon available data, take into consideration market demand for housing, employment opportunities, the availability of suitable sites and public facilities, commuting patterns, type and tenure of housing need, and the housing needs of farmworkers. The distribution shall seek to avoid further impaction of localities with relatively high proportions of lower income households. Based upon data provided by the Department of Finance, in consultation with each council of government, the Department of Housing and Community Development shall determine the regional share of the statewide housing need at least two years prior to the second revision, and all subsequent revisions as required pursuant to Section 65588. Based upon data provided by the Department of Housing and Community Development relative to the statewide need for housing, each council of governments shall determine the existing and projected housing need for its region.

Within 30 days following notification of this determination, the Department of Housing and Community Development shall ensure that this determination is consistent with the statewide housing need and may revise the determination of the council of governments if necessary to obtain this consistency. Each locality’s share shall be determined by the appropriate council of governments consistent with the criteria above with the advice of the department subject to the procedure established pursuant to subdivision (c) at least one year prior to the second revision, and at five-year intervals following the second revision pursuant to Section 65588.

“(b) For areas with no council of governments, the Department of Housing and Community Development shall determine housing market areas and define the regional housing need for localities within these areas. Where the department determines that a local government possesses the capability and resources and has agreed to accept the responsibility, with respect to its jurisdiction, for the identification and determination of housing market areas and regional housing needs, the department shall delegate this responsibility to the local governments within these areas.

Section 65584 gives the Department of Housing and Community Development (“Department”) various responsibilities including the duty to define the regional housing need for localities in areas not covered by a council of governments, unless it has delegated such authority to a local government. For cities and counties located in areas served by a council of governments, the council performs this function.

Section 65584 requires the Department or a council to act when a housing element of a city or county is revised “pursuant to Section 65588.” The latter statute designates various dates for housing element revisions, including for areas covered by specified councils of governments:

“(1) Local governments within the regional jurisdiction of the Southern California Association of Governments: July 1, 1984, for the first revision and July 1, 1989, for the second revision.

“(2) Local governments within the regional jurisdiction of the Association of Bay Area Governments: January 1, 1985, for the first revision, and July 1, 1990, for the second revision.

“(3) Local governments within the regional jurisdiction of the San Diego Association of Governments, the Council of Fresno County Governments, the Kern County Council of Governments, the Sacramento Council of Governments, and the Association of Monterey

Bay Area Governments: July 1, 1985, for the first revision, and July 1, 1991, for the second revision.”

Thereafter a housing element revision is required “not less than every five years.” (§ 65588, subd. (b).)

The focus of the three inquiries is directed at both sections 65583 and 65584. Several well-recognized principles of statutory construction aid our analysis of these legislative enactments. In construing statutory language, we are to “ascertain the intent of the Legislature so as to effectuate the purpose of the law.” (Select Base Materials v. Board of Equal. (1959) 51 Cal.2d 640, 645; accord People v. Davis (1981) 29 Cal.3d 814, 828.) “In determining such intent, the court ‘turns first to the words themselves for the answer’ [citations].” (People v. Craft (1986) 41 Cal.3d 554, 560.) The words are to be given “their ordinary and generally accepted meaning.” (People v. Castro (1985) 38 Cal.3d 301, 310.) Moreover, “legislation should be construed so as to harmonize its various elements without doing violence to its language or spirit.” (Wells v. Marina City Properties, Inc. (1981) 29 Cal.3d 781, 788.)

“Wherever reasonable, interpretations which produce internal harmony, avoid redundancy and accord significance to every word and phrase are preferred.” (Pacific Legal Foundation v. Unemployment Ins. Appeals Bd. (1981) 29 Cal.3d 101, 114.) “Interpretive constructions which render some words surplusage, defy common sense, or lead to mischief or absurdity, are to be avoided.”

(California Mfrs. Assn. v. Public Utilities Com. (1979) 24 Cal.3d 836, 844.)

1. Existing and Projected Housing Needs

The first question posed is whether the council’s determination of a locality’s share is to include both the existing and projected housing needs of the locality. We conclude that it does.

Section 65584 directs a council to “determine the existing and projected housing need for its region.” The purpose of such determination is to calculate and apportion shares of this need to all cities and counties in the region. “Each locality’s share shall be determined by the appropriate council of governments.” (§65584, subd. (a).)

Two components thus comprise the regional housing need: the existing housing need and the projected housing need. When shares of the regional housing need are apportioned to the communities in the area, each share contains both components. No provision of the statute remotely suggests that one of the necessary components is to be omitted when apportioning shares.

Such construction of section 65584 is supported by the language of section 65583. As previously quoted, the latter statute requires that the housing element of a city or county contain “a quantification of the locality’s existing and projected housing needs for all income levels.” It then provides: “These existing and projected needs shall include the locality’s share of the regional housing need in accordance with Section 65584.” Hence the reference in section 65583 to “existing and projected housing needs” in conjunction with “the locality’s share of the regional housing need” clearly indicates that the latter incorporates both components.

Appendix E

One of the purposes of the legislation governing housing elements is “[t]o ensure that each local government cooperates with other local governments in order to address regional housing needs.” (§ 65581, subd. (d).) Regional housing needs include both existing and projected needs. (§ 65584, subd. (a).) Both components are “addressed” by apportioning shares thereof to each community in the region. By so construing section 65584, we give each of its provisions meaning and carry out the apparent intent of the Legislature.

In answer to the first question, therefore, we conclude that the determination of a locality’s share of the regional housing needs by a council of governments must include both the existing and projected housing needs of the locality.

2. Current Zoning Ordinances

The second question concerns whether in making its determination of a locality’s share of the regional housing needs, a council of governments is to consider the availability of suitable housing sites based upon the existing zoning ordinances and land use restrictions of the locality or upon alternative zoning ordinances and land use restrictions that would allow the potential for increased residential development. We conclude both existing and alternative zoning ordinances and land use restrictions must be considered.

The council of governments is directed to determine a locality’s share of the regional housing needs based upon the following criteria:

“The market demand for housing, employment opportunities, the availability of suitable sites and public facilities, commuting patterns, type and tenure of housing need, and the housing needs of farmworkers [and the avoidance of] further impaction of localities with relatively high proportions of lower income households.” (§ 65584, subd. (a).)

We find no indication in section 65584 that current zoning ordinances and land use restrictions are to limit the factor of “the availability of suitable

sites.” A housing site would be unsuitable based upon its physical characteristics, not because of some governmental control of an artificial and external nature. The planning process of sections 65583 and 65584 contemplates an identification of adequate sites that could be made available through different policies and development standards. Existing zoning policies would be only one aspect of the “available data” upon which the factor of “the availability of suitable sites” is to be considered under section 65584. To argue that this part of the general plan is required to conform to existing zoning practices would be anomalous and circuitous, since section 65860 requires the zoning ordinances of a locality to be consistent with its general plan. Subdivision (d) of section 65584 emphasizes this fact by expressly providing that a local government’s share of the regional housing need is not subject to reduction, except in one narrow circumstance, by:

“. . . any ordinance, policy, or standard of a city, county, or city and county which directly limits, by number, the building permits which may be issued for residential construction, or which limits for a set period of time the number of buildable lots which may be developed for residential purposes.”

Our construction of section 65584 is consistent with the goals of the statutory scheme as a whole (§§ 65580-65589.8) and the particular requirements specified for housing elements (§ 65583). The legislation has as its primary purpose “to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.” (§ 65580, subd. (b).) Cities and counties are directed to “recognize their responsibilities in contributing to the attainment of the state housing goal.” (§ 65580, subd. (a).) Each local government is “to cooperate with other local governments and the state in addressing regional housing needs.” (§ 65580, subd. (e).) Allowing a city or county to prevent being allocated a share of the regional housing needs through restricted zoning ordinances would be contrary to the manifest intent of the Legislature.

The housing element of a local government must specifically include:

“An inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites.” (§ 65583, subd. (a)(3).)

It is the “relationship” of current zoning ordinances that must be considered with respect to suitable housing sites. No hint of limitation may be found in the use of the term “relationship.” Section 65583 also requires that a housing element include a five-year program that will:

“Identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels. . . .” (§ 65583, subd. (c)(1).)

Such language unmistakably contemplates that zoning ordinances and land use restrictions may require modification during the five-year period to accommodate a locality’s projected housing needs. Consistent with this interpretation is the requirement that the five-year program:

“Address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing.” (§ 65583, subd. (c)(3).)

These “governmental constraints” must be analyzed in detail in the housing element; the element must contain:

“Analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures.” (§ 65583, subd. (a)(4).)

In sum, a local government must provide in its housing element for the existing and projected housing needs of all economic segments of the community. (§ 65583.) In doing so, it is required to identify suitable housing sites. (§ 65583, subd. (a)(3).) The city or county must identify those sites “which will be made available through appropriate zoning and development standards” during the ensuing five-year period. (§65583, subd. (c)(1).) It must “undertake to implement the policies and achieve the goals and objectives of the housing element through the administration of land use and development controls.” (§ 65583, subd. (c).) The required consideration and evaluation of zoning changes necessary to meet the identified needs of the community would be precluded by allowing existing zoning limitations to define what housing sites are “suitable.”

A council of governments thus would not be able to perform the task mandated for it without consideration of land uses that are possible despite existing zoning restrictions. The “suitable sites” factor to be considered by a council pursuant to section 65584 must be read in conjunction with the phrase “land suitable for residential development” of section 65583 that requires consideration of zoning limitations but is not limited to lands presently zoned for such development.

In answer to the second question, therefore, we conclude that a council of governments must consider the availability of suitable housing sites based not only upon the existing zoning ordinances and land use restrictions of the locality but also based upon the potential for increased residential development under alternative zoning ordinances and land use restrictions when determining a locality’s share of the regional housing needs.

Appendix E

3. Calculation of Income Levels

The third question presented is whether a council of governments is required to follow the regulations (Cal. Admin. Code, tit. 25, §§ 6910-6932) of the Department defining income categories when determining a locality's share of the regional housing needs. We conclude that it must.

Regulation 6926 states in part:

'Very low income households' means persons and families whose gross incomes do not exceed the qualifying limits for very low income families established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937. The qualifying limits are set forth in Section 6932.

These limits are equivalent to 50 percent of the area median income, adjusted for family size by the United States Department of Housing and Urban Development." (Cal. Admin. Code, tit. 25, § 6926, subd.(a).)

Regulation 6928 provides in part:

'Lower income households' means persons and families whose gross incomes do not exceed the qualifying limits for lower income families as established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937. The qualifying limits are set forth in Section 6932.

These limits are equivalent to 80 percent of the area median income, adjusted for family size and other adjustment factors by the United States Department of Housing and Urban Development." (Cal. Admin. Code, tit. 25, § 6928; subd. (a).)

Regulation 6930 states in part:

"'Moderate income households' means persons and families who are not 'lower income households' and whose gross incomes do not exceed 120 percent of the area median income adjusted for family size in accordance with adjustment factors adopted by the United States Department of Housing and Urban Development

in establishing income limits for lower income families. For purposes of this subchapter, the income limits are set forth in Section 6932." (Cal. Admin. Code, tit. 25, § 6930, subd. (a).)

These regulations are authorized by and are consistent with Health and Safety Code sections 50079.5 (lower income households), 50093 (moderate income households), and 50105 (very low income households).

A council of governments must determine a locality's share of the regional housing needs "of persons at all income levels within the area." (§ 65584, subd.(a).) This determination is to be "[b]ased upon data provided by the Department." (Ibid.) It is the Department that assesses the state housing needs upon which the regional housing needs are calculated. The Department is also required to revise any determination of regional housing needs made by a council that is inconsistent with the state housing needs. (Ibid.) The Department follows state law (Health & Saf. Code, §§ 50079.5, 50093, 50105; Cal. Admin. Code, tit. 25, §§ 6910-6932) in categorizing income levels for its calculations and the data provided to the councils. For a council to "base" its determinations upon the Department's data, we believe that it is directed to use the income categories selected by the Department. No other definitions of moderate income, lower income, or very low income may be found in state law governing this issue.

We note also that the Legislature has specifically referred to "persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code" when mandating the review and revision of housing elements. (§ 65588, subd.(d).)

Requiring a council of governments to follow the income classifications established by the Legislature and Department provides consistency between sections 65584 and 65588. Such interpretation of the terms of section 65584 facilitates the administration of the state housing laws. Allowing each council of governments, on the other hand, to create its own income classifications would be impractical and would defeat the purpose of meeting the state housing needs in a consistent and effective manner. Uniformity of classification allows the local governments “to cooperate with other local governments and the state in addressing regional housing needs.” (§ 65580, subd. (e).)

In answer to the third question, therefore, we conclude that the income categories of sections 6910-6932 of title 25 of the California Administrative Code must be used by a council of governments when determining a locality’s share of the regional housing needs.



Appendix F *Analysis of* *Overpayment*

Regional Housing Needs Determination
Association of Bay Area Governments

Analysis of Overpayment

According to state and federal law, a lower-income household that pays more than 30 percent of its income for housing is living in unaffordable housing. These households are classified as “overpaying” for housing. *See definitions on page 27.* Household incomes are divided into four categories: very-low, low, moderate and above-moderate income. Each category corresponds to a proportion of the region’s household income distribution. The lower-income distinction includes both the very low- and low-income categories, representing households with incomes up to 80 percent of the regional median household income.

The latest data available on household income characteristics can be obtained from the 1990 Census. The 1990 Census reports a regional median household income of \$41,595. Therefore, lower-income households in the Bay Area have a household income of \$33,276 or less. Meeting the housing needs for the region’s lower-income households is a principal part of State Housing Element Law. Jurisdictions in the region must identify strategies that will make available affordable housing opportunities for its lower-income household population. This analysis identifies the portion of each jurisdiction’s lower-income households that overpay for housing, as determined by the 1990 Census. The tables are divided by tenure, owner vs. renter.

1990 Census tables H50 and H59 identify household income in 1989 by both gross rent and selected monthly owner cost, as a percentage of household income. These Census tabulations are divided into the following income ranges, (1) Less than \$10,000, (2) \$10,000 to \$19,999, (3) \$20,000 to \$34,999, (4) \$35,000 to \$49,999, (5) \$50,000 or more. The tabulation further identifies the percentage of annual income these households paid for housing.

Using this information, it is possible to determine the number of renter and owner occupied households in the region that overpaid for housing, and thus were living in unaffordable housing.

The first step in conducting this analysis involves selecting the number of households that had an annual income up to 80% of the regional median income (lower-income households) for both owner and renter households. As mentioned earlier, lower-income households include all households with an annual income of less than \$33,276.

Since the annual household income of \$33,276, falls within the annual income range of \$20,000 to \$34,999, it is necessary to estimate the number of lower-income households that fall between the \$20,000 to \$33,276 range. Assuming the number of households in the \$20,000 to \$34,999 range are evenly distributed, the difference between \$20,000 and \$33,276 is calculated. This difference, divided by \$14,999, yields the proportion of lower-income households that fall between \$20,000 and \$33,276. Multiplying this proportion by the total number of households in the \$20,000 to \$34,999 range results in an estimate of the number of lower-income households between \$20,000 and \$33,276.

Adding the number of lower-income households between \$20,000 and \$33,276 that paid 30 percent or more of their annual income for housing, to the total number of lower-income households between \$10,000 to \$19,999 that paid 30 percent or more of their annual income for housing, yields the total number of lower-income households that overpaid for housing. Dividing the total number of lower-income households that overpaid for housing- for both owners and renters, by the total number of lower-income households, yields the proportion of lower-income households that overpaid for housing.

Appendix F

The following tables illustrate the proportion of lower-income households overpaying for housing in each jurisdiction. For each of the nine counties in the region, on a countywide basis, the number of lower-income renter households that overpay for housing is larger than the lower-income owner occupied households that overpay for housing.

However, in a few jurisdictions where there are typically higher costs associated with housing, the number of lower-income owner occupied households that overpay for housing is larger than the total number of lower-income renter households that overpay for housing. While it may be true that in many of these cases the total number of renter households is less than the total number of owner occupied households, it is nevertheless a surprising trend.

Table F-1. Low-Income Households Overpaying for Housing
Alameda County and Cities

Jurisdiction	Total Low Inc. Owners	Total Low Inc. Renters	Overpaying Low Inc. Owners	Overpaying Low Inc. Renters	% Low Inc. Overpaying Owners	% Low Inc. Overpaying Renters
ALAMEDA	2,618	8,224	932	3,775	35.6%	45.9%
ALBANY	911	2,144	253	1,031	27.8%	48.1%
BERKELEY	4,121	16,584	2,033	9,305	49.3%	56.1%
DUBLIN	693	870	418	412	60.3%	47.4%
EMERYVILLE	56	986	11	524	19.6%	53.1%
FREMONT	5,308	8,749	2,486	4,670	46.8%	53.4%
HAYWARD	4,934	10,715	1,878	5,643	38.1%	52.7%
LIVERMORE	2,142	3,134	1,054	1,764	49.2%	56.3%
NEWARK	1,407	1,529	672	1,082	47.8%	70.8%
OAKLAND	18,862	56,946	9,316	33,854	49.4%	59.4%
PIEDMONT	409	89	197	60	48.2%	67.4%
PLEASANTON	1,198	2,139	738	882	61.6%	41.2%
SAN LEANDRO	5,505	6,170	1,762	3,352	32.0%	54.3%
UNION CITY	1,416	2,259	809	1,343	57.1%	59.5%
Total	49,580	120,538	22,559	67,697		

**Table F-2. Low-Income Households Overpaying for Housing
Contra Costa County and Cities**

Jurisdiction	Total Low Inc. Owners	Total Low Inc. Renters	Overpaying Low Inc. Owners	Overpaying Low Inc. Renters	% Low Inc. Overpaying Owners	% Low Inc. Overpaying Renters
ANTIOCH	3,107	4,524	1,568	2,723	50.5%	60.2%
BRENTWOOD	295	466	153	276	51.9%	59.2%
CLAYTON	207	59	132	27	63.8%	45.8%
CONCORD	4,679	8,803	2,383	4,933	50.9%	56.0%
DANVILLE	923	412	487	255	52.8%	61.9%
EL CERRITO	1,770	1,855	512	974	28.9%	52.5%
HERCULES	414	172	328	126	79.2%	73.3%
LAFAYETTE	897	932	420	578	46.8%	62.0%
MARTINEZ	1,429	2,198	692	1,216	48.4%	55.3%
MORAGA	473	342	265	236	56.0%	69.0%
OAKLEY	736	537	443	293	60.2%	54.6%
ORINDA	616	199	274	189	44.5%	95.0%
PINOLE	978	680	482	329	49.3%	48.4%
PITTSBURG	2,487	3,444	1,224	1,742	49.2%	50.6%
PLEASANT HILL	1,609	2,302	649	1,334	40.3%	57.9%
RICHMOND	5,691	9,528	2,382	5,534	41.9%	58.1%
SAN PABLO	1,237	3,325	531	1,948	42.9%	58.6%
SAN RAMON	676	1,149	464	654	68.6%	56.9%
WALNUT CREEK	2,061	4,332	1,142	2,221	55.4%	51.3%
Total	30,285	45,259	14,531	25,588		

Table F-3. Low-Income Households Overpaying for Housing
Marin County and Cities

Jurisdiction	Total Low Inc. Owners	Total Low Inc. Renters	Overpaying Low Inc. Owners	Overpaying Low Inc. Renters	% Low Inc. Overpaying Owners	% Low Inc. Overpaying Renters
BELVEDERE	50	57	35	57	70.0%	100.0%
CORTE MADERA	496	402	195	324	39.3%	80.6%
FAIRFAX	358	644	214	305	59.8%	47.4%
LARKSPUR	411	1,215	236	651	57.4%	53.6%
MILL VALLEY	633	963	276	600	43.6%	62.3%
NOVATO	1,752	3,279	890	1,701	50.8%	51.9%
ROSS	73	16	56	0	76.7%	0.0%
SAN ANSELMO	756	982	298	633	39.4%	64.5%
SAN RAFAEL	1,869	5,193	933	3,088	49.9%	59.5%
SAUSALITO	89	686	58	455	65.2%	66.3%
TIBURON	242	307	158	188	65.3%	61.2%
Total	6,729	13,744	3,349	8,002		

Table F-4. Low-Income Households Overpaying for Housing
San Francisco City and County

Jurisdiction	Total Low Inc. Owners	Total Low Inc. Renters	Overpaying Low Inc. Owners	Overpaying Low Inc. Renters	% Low Inc. Overpaying Owners	% Low Inc. Overpaying Renters
SAN FRANCISCO	24,398	108,331	8,975	59,805	36.8%	55.2%

Table F-5. Low-Income Households Overpaying for Housing
Napa County and Cities

Jurisdiction	Total Low Inc. Owners	Total Low Inc. Renters	Overpaying Low Inc. Owners	Overpaying Low Inc. Renters	% Low Inc. Overpaying Owners	% Low Inc. Overpaying Renters
AMERICAN CANYON	449	202	212	101	47.2%	50.0%
CALISTOGA	188	522	76	298	40.4%	57.1%
NAPA	3,516	5,769	1,474	3,342	41.9%	57.9%
ST HELENA	399	469	129	271	32.3%	57.8%
YOUNTVILLE	100	111	42	73	42.0%	65.8%
Total	4,652	7,073	1,933	4,085		

Table F-6. Low-Income Households Overpaying for Housing
San Mateo County and Cities

Jurisdiction	Total Low Inc. Owners	Total Low Inc. Renters	Overpaying Low Inc. Owners	Overpaying Low Inc. Renters	% Low Inc. Overpaying Owners	% Low Inc. Overpaying Renters
ATHERTON	135	40	86	21	63.7%	52.5%
BELMONT	903	1,965	332	802	36.8%	40.8%
BRISBANE	197	264	88	133	44.7%	50.4%
BURLINGAME	1,240	2,772	384	1,256	31.0%	45.3%
COLMA	56	83	17	27	30.4%	32.5%
DALY CITY	3,881	5,690	1,695	3,042	43.7%	53.5%
EAST PALO ALTO	1,072	2,489	582	1,344	54.3%	54.0%
FOSTER CITY	649	987	433	620	66.7%	62.8%
HALF MOON BAY	284	328	136	179	47.9%	54.6%
HILLSBOROUGH	247	22	194	19	78.5%	86.4%
MENLO PARK	1,181	2,173	520	1,374	44.0%	63.2%
MILLBRAE	1,170	1,367	403	904	34.4%	66.1%
PACIFICA	1,755	1,830	797	966	45.4%	52.8%
PORTOLA VALLEY	82	89	47	60	57.3%	67.4%
REDWOOD CITY	2,287	6,029	933	3,534	40.8%	58.6%
SAN BRUNO	2,067	2,443	869	1,234	42.0%	50.5%
SAN CARLOS	1,373	1,254	519	620	37.8%	49.4%
SAN MATEO	3,507	7,399	1,318	3,910	37.6%	52.8%
SOUTH SAN FRANCISCO	2,755	3,262	933	1,670	33.9%	51.2%
WOODSIDE	134	47	61	15	45.5%	31.9%
Total	24,975	40,533	10,347	21,730		

**Table F-7. Low-Income Households Overpaying for Housing
Santa Clara County and Cities**

Jurisdiction	Total Low Inc. Owners	Total Low Inc. Renters	Overpaying Low Inc. Owners	Overpaying Low Inc. Renters	% Low Inc. Overpaying Owners	% Low Inc. Overpaying Renters
CAMPBELL	1,100	3,707	440	1,934	40.0%	52.2%
CUPERTINO	984	1,469	471	814	47.9%	55.4%
GILROY	1,025	2,430	524	1,343	51.1%	55.3%
LOS ALTOS	1,026	343	379	201	36.9%	58.6%
LOS ALTOS HILLS	131	20	75	20	57.3%	100.0%
LOS GATOS	936	1,713	452	816	48.3%	47.6%
MILPITAS	1,048	1,615	523	1,019	49.9%	63.1%
MONTE SERENO	84	23	31	8	36.9%	34.8%
MORGAN HILL	574	959	332	610	57.8%	63.6%
MOUNTAIN VIEW	1,672	7,882	603	3,808	36.1%	48.3%
PALO ALTO	2,042	4,071	674	2,312	33.0%	56.8%
SAN JOSE	23,874	47,191	12,677	27,301	53.1%	57.9%
SANTA CLARA	3,764	7,639	1,211	4,208	32.2%	55.1%
SARATOGA	708	351	268	245	37.9%	69.8%
SUNNYVALE	3,149	9,240	1,250	4,731	39.7%	51.2%
Total	42,117	88,653	19,910	49,370		

**Table F-8. Low-Income Households Overpaying for Housing
Solano County and Cities**

Jurisdiction	Total Low Inc. Owners	Total Low Inc. Renters	Overpaying Low Inc. Owners	Overpaying Low Inc. Renters	% Low Inc. Overpaying Owners	% Low Inc. Overpaying Renters
BENICIA	847	1,461	447	747	52.8%	51.1%
DIXON	671	701	303	295	45.2%	42.1%
FAIRFIELD	3,194	6,661	1,720	3,020	53.9%	45.3%
RIO VISTA	249	317	87	185	34.9%	58.4%
SUISUN CITY	902	1,408	716	923	79.4%	65.6%
VACAVILLE	3,071	4,365	1,520	2,204	49.5%	50.5%
VALLEJO	5,991	8,726	2,776	4,593	46.3%	52.6%
Total	14,925	23,639	7,569	11,967		

**Table F-9. Low-Income Households Overpaying for Housing
Sonoma County and Cities**

Jurisdiction	Total Low Inc. Owners	Total Low Inc. Renters	Overpaying Low Inc. Owners	Overpaying Low Inc. Renters	% Low Inc. Overpaying Owners	% Low Inc. Overpaying Renters
CLOVERDALE	372	440	159	176	42.7%	40.0%
COTATI	304	514	163	240	53.6%	46.7%
HEALDSBURG	788	832	324	389	41.1%	46.8%
PETALUMA	2,284	2,819	1,068	1,419	46.8%	50.3%
ROHNERT PARK	1,337	3,306	970	1,931	72.6%	58.4%
SANTA ROSA	6,431	11,469	2,896	6,642	45.0%	57.9%
SEBASTOPOL	403	834	180	487	44.7%	58.4%
SONOMA	514	863	153	516	29.8%	59.8%
WINDSOR	612	654	325	423	53.1%	64.7%
Total	13,045	21,731	6,238	12,223		

Table F-10. Low-Income Households Overpaying for Housing

San Francisco Bay Region

Jurisdiction	Total Low Inc. Owners	Total Low Inc. Renters	Overpaying Low Inc. Owners	Overpaying Low Inc. Renters	% Low Inc. Overpaying Owners	% Low Inc. Overpaying Renters
ALAMEDA COUNTY	49,580	120,538	22,559	67,697	45.5%	56.2%
CONTRA COSTA COUNTY	30,285	45,259	14,531	25,588	48.0%	56.5%
MARIN COUNTY	6,729	13,744	3,349	8,002	49.8%	58.2%
NAPA COUNTY	4,652	7,073	1,933	4,085	41.6%	57.8%
SAN FRANCISCO CITY/COUNTY	24,398	108,331	8,975	59,805	36.8%	55.2%
SAN MATEO COUNTY	24,975	40,533	10,347	21,730	41.4%	53.6%
SANTA CLARA COUNTY	42,117	88,653	19,910	49,370	47.3%	55.7%
SOLANO COUNTY	14,925	23,639	7,569	11,967	50.7%	50.6%
SONOMA COUNTY	13,045	21,731	6,238	12,223	47.8%	56.2%
REGIONAL TOTAL	210,706	469,501	95,411	260,467		

LOW INCOME OWNERS

LOW INCOME RENTERS

SAN FRANCISCO BAY AREA
Percentage of Low Income
Households Overpaying For Housing

- Less Than 20%
- Between 20% and 40%
- Between 40% and 60%
- Between 60% and 80%
- Greater than 80%

Source: Analysis based upon the 1990 Census, Tables H50 and H59
* 1990 Census data not available to perform the analysis



Appendix G

Review and Revision

Guidelines

*Regional Housing Needs Determination
Association of Bay Area Governments*

Appendix G

Regional Housing Needs Determination (RHND) Revision Process

At their May 18, 2000 meeting, the ABAG Executive Board directed staff to modify the current methodology and restart the 90 day revision period, effective June 1, 2000. This initiated a new 90-day revision and response period, allowing each jurisdiction more time to comment, and/or propose revisions to their RHND allocation. The modified timeline was as follows:

- Third release of RHND allocations to each jurisdiction (June 1, 2000)
- 90 Day jurisdictional review period
(Begins June 1, 2000-----Ends August 31, 2000)
- 60 day ABAG Staff response to jurisdictional comments and questions period
(Begins September 1, 2000-----Ends October 30, 2000)
- Executive Board approves final RHND numbers
(November 16, 2000)
- Appeals Process initiated
(December 1, 2000)

By October 30, 2000, each jurisdiction submitted in writing any proposed revision to the RHND allocations according to guidelines defined in Government Code, section 65584(a). The following section describes the process and procedures for requesting revisions to the RHND allocation for jurisdictions in the ABAG region.

Revision Guidelines, Criteria and Definitions

Within 90 days following a determination of housing needs allocation by the ABAG Executive Board a city or county may propose to revise the determination of its share of the regional housing need in accordance with the considerations set forth in government code 65584, subdivision (a). The proposed revised share shall be based upon available data and accepted planning methodology, and supported by adequate documentation, including analysis of factors and circumstances justifying a revision.

Review and Determination of Request for Revision

Within 60 days after the time period for the revision by the city or county, ABAG shall accept the proposed revision, modify the earlier determination, or indicate, based upon available data and accepted planning methodology, why the proposed revision is inconsistent with the earlier determination of housing need.

The following factors will be used in the review process (as applies):

- a) Request for revision must be:
 - i. Based upon available data
 - ii. Take into consideration market demand for housing
 - iii. Employment opportunities
 - iv. The availability of suitable sites and public facilities

- v. Commuting patterns
 - vi. Type and tenure of housing need
 - vii. The loss of units contained in assisted housing developments as defined in paragraph (8) of subdivision (a) of Section 65583, that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions,
 - viii. The housing needs of farmworkers
- b) Any revision will be localized within the same county as the requesting jurisdiction

Additional criteria to be considered in the Revision Process

Ordinances limiting residential construction do not justify a revision.

Any ordinance, policy, or standard of a city or county that directly limits, by number, the building permits that may be issued for residential construction, or limits for a set period of time the number of buildable lots that may be developed for residential purposes, shall not be a justification for a determination or a reduction in the share of a city or county of the regional housing need.

Exemptions: Moratorium on residential construction.

Any city or county that imposes a moratorium on residential construction for a specified period of time in order to preserve and protect the public health and safety is exempt from this limitation. If a moratorium is in effect, the city or county shall, prior to a revision, adopt findings that specifically describe the threat to the public health and safety and the reasons why construction of the number of units specified as its share of the regional housing need would prevent the mitigation of that threat.

Power to review and revise housing need does not extend to implementation

Any authority to review and revise the share of a city or county of the regional housing need granted under this section shall not constitute authority to revise, approve, or disapprove the manner in which the share of the city or county of the regional housing need is implemented through its housing program.

Revision of County numbers

ABAG shall reduce the share of regional housing needs of a county if all of the following conditions are met:

- a) One or more cities within the county agree to increase its share or their shares by an amount that will make up for the reduction.
- b) The transfer of shares shall only occur between a county and cities within that county.
- c) The county's share of low-income and very low-income housing shall be reduced only in proportion to the amount by which the county's share of moderate- and above moderate-income housing is reduced.
- d) ABAG shall have authority over the approval of the proposed reduction, taking into consideration the criteria of govt. code 65584-subdivision (a).

Appendix G

Revision Determination by ABAG

If ABAG accepts the proposed revision or modifies its earlier determination, the city or county shall use that share. ABAG shall ensure that the current total housing need is maintained. If ABAG indicates that the proposed revision is inconsistent with the regional housing need, the city or county shall use the share that was originally determined by ABAG. The housing element shall contain an analysis of the factors and circumstances, with all supporting data, justifying the revision. All materials and data used to justify any revision shall be made available upon request by any interested party within seven days upon payment of reasonable costs of reproduction unless the costs are waived due to economic hardship.

Denial/ Approval of request for revision

If ABAG, does not accept the proposed revision, then the city or county shall have the right to request one public hearing to review the determination within 30 days. The city or county shall be notified within 30 days by certified mail, return receipt requested, of the date of the public hearing regarding the determination. The date of the hearing shall be at least 30 days from the date of the notification. Before making the final determination, ABAG shall consider comments, recommendations, available data, accepted planning methodology, and local geological and topographic restraints on the production of housing.

Judicial Review

The determination of ABAG shall be subject to judicial review pursuant to Section 1094.5 of the Code of Civil Procedure.

Definitions and Criteria

The following definitions will be used to evaluate each jurisdictions request for a revision of its share of housing need for the region.

1. Accepted Planning Methodology: refers to the logical organization and analysis of acceptable data that is consistent with government code, section 65584(a).
2. Acceptable Data: Alternative data that is used for requesting a revision of a Jurisdiction's RHND allocation must meet all of the following requirements
 - a. Available: data which is generally accessible to the public that is not constrained for use by proprietary conditions or other conditions effectively making it difficult to obtain.
 - b. Accurate: data which is reasonably free from defect, developed in accordance with an established methodology, and have produced reliable estimates over time.
 - c. Current: data that is more recent than existing data sets used in the RHND methodology and thus portrays local conditions in a more accurate and representative method.
 - d. Replicable: data which can be reproduced in other jurisdictions and lend themselves to widespread application to a housing market area larger than a single jurisdiction.

3. Consistent: data which takes into consideration the criteria cited in govt. code, section 65584(a) as further defined in other supporting statutes and case law.
 - a. Market factors for housing
 - b. Employment opportunities
 - c. Commuting patterns
 - d. Availability of suitable sites and public facilities
 - e. Loss of units in assisted housing developments
 - f. Housing needs of farm-workers; and
 - g. Reducing over concentration of affordable housing
1. Regional Housing Needs Determination: refers to the number of units as determined by the State Department of Housing and Community Development (HCD) of which will be allocated during the RHND planning period that considers Household Growth and Employment Patterns in the ABAG region.
2. Supported by adequate documentation: refers to the methods used to acquire and/or compute alternative data, which must be fully explained and incorporated into the revision request.
3. Jobs/Housing Balance: refers to the ratio of jobs and housing in each jurisdiction.
4. Income categories: State Law requires that ABAG distributes the housing need to each jurisdiction based upon HCD defined income categories (Very Low, Low, Moderate, Above Moderate)
 - a. Very Low is defined as income levels which are below 50% of the adjusted gross area median income
 - b. Low is defined as income levels which are greater than 50% and less than 80% of the adjusted gross area median income
 - c. Moderate is defined as income levels which are greater than 80% and less than 120% of the adjusted gross area median income
 - d. Above Moderate is defined as income levels which are equal to or greater than 120% of the adjusted gross area median income.



Appendix H

90-Day Review and Revision Comments

*Regional Housing Needs Determination
Association of Bay Area Governments*

Jurisdiction Comments and Proposed Revisions

ALAMEDA COUNTY

Alameda

ABAG staff conferred with City staff. Jurisdiction has proposed two revisions to the RHND allocation. An explanation of each is provided below.

Proposed Revision 1.

Jurisdiction seeks to reduce the City's job growth in the RHND methodology from 5,342 jobs to 2,150 jobs. The result of this modification would reduce the City's total RHND allocation by 882 units.

Proposed Revision 2.

The Jurisdiction also seeks to modify the City's income distribution categories by reducing the percentages for the Low, Moderate, and Above Moderate categories, and increase the percentage for the Very Low-income category.

The revision proposed by the City of Alameda is not supported by adequate documentation that explains how the proposed income distribution categories were derived.

Notes (Proposed Revision 1):

Because there can be no net reduction in the total housing needs allocation for the region, any proposed reduction in RHND allocations for one jurisdiction will impact the RHND allocations of another jurisdiction. In order to address this issue, and maintain the pattern of growth established in the RHND methodology and its subsequent allocations on a county by county basis, any reduction of RHND allocations would need to be maintained at the county level. Therefore, the reduction of 882 housing units from the City of Alameda's RHND allocation would be divided amongst the other jurisdictions within Alameda County.

Action Recommended by ABAG Staff

Proposed Revision 1.

Option 1- Deny the proposed revision. ABAG staff believes that the housing market is extremely tight in Alameda, as well as adjacent communities. With each increase in jobs, the City of Alameda should be responsible for creating additional housing.

Option 2- Accept the proposed revision, and modify the RHND allocations. The City of Alameda is unique among Bay Area cities in that it currently has substantially fewer jobs than in 1990. The closure of the military base caused a loss of approximately 14,000 military and civilian jobs. Of this total approximately 9,701 jobs were civilian personnel. Assuming that the civilian personnel were living in the City of Alameda, the City believes that they have suffered a significant adjustment to their jobs/housing balance. An evaluation of jobs/housing balance for City of Alameda 1999 shows that there are .90 jobs for each household, with the ABAG region averaging 1.42 jobs per household.

In order to address this issue, and adjust the RHND allocations for the City of Alameda, it would be necessary to exclude the military jobs in 1990 which were held by Navy personnel living in group quarters because the jobs and housing went hand-in-hand in this case. Based on Projections 2000 and discussions with staff from the City of Alameda, it is estimated that the jobs lost during the 1990s will be recovered over a period of approximately 15 years.

If the Executive Board chooses to adopt this proposed revision, the job growth of the City of Alameda could be reduced from 5,342 to 2,150 jobs. This would reduce the City of Alameda's RHND allocation to 1,280 units, a reduction of 882 units. The reduction of 882 housing units from the City of Alameda's RHND allocation would be divided amongst the other jurisdictions within the county.

Proposed Revision 2.

Staff recommends that the Executive Board deny the proposed revision. The revision criteria cited by the City of Alameda does not meet the defined by California State Housing Element Law, which would warrant a revision. Any proposed revision must be based upon available and replicable data, as well as the same accepted planning methodology which determined the original RHND allocation assignment.

Jurisdiction Comments and Proposed Revisions

ALAMEDA COUNTY (CONTINUED)

Albany

ABAG staff conferred with City staff; no revision proposed.

Berkeley

ABAG staff conferred with City staff; no revision proposed.

Dublin

ABAG Staff conferred with City staff. Jurisdiction seeks to reduce the City's RHND allocation assignment of 5,436 units to 3,672 units over the 1999-2006 RHND time frame (a reduction of 1,784 units). Proposed revision is based upon historical growth trends and possible environmental constraints which may impede the development of the assigned RHND allocation by ABAG.

Emeryville

ABAG staff conferred with City staff; no revision proposed.

Hayward

ABAG staff conferred with City staff; no revision proposed.

Fremont

No comments or proposed revisions submitted.

Action Recommended by ABAG Staff

No action necessary.

No action necessary.

The City of Berkeley has reviewed the RHND allocations assigned by ABAG and accepts the planning responsibility. The City plans to work vigorously to meet the targeted demand in the years ahead. The City of Berkeley stated that the production target for lower income units was slightly lower than the City is currently planning for during the 1999-2006 time frame.

Staff recommends that the Executive Board deny the proposed revision. Proposed revision does not reflect the criteria of State Housing Element Law which would warrant a revision. The proposed revision cites historical growth trends and environmental constraints as two factors warranting a revision. However, these two factors are not recognized by the statute as determinants for granting a revision.

No action necessary.

No action necessary.

The City of Hayward raised several concerns related to the Sphere of Influence allocation, the Jobs/ housing ratio, and the income category distribution of the RHND allocation. The City requested that ABAG revisit the RHND methodology to address their concerns, however no specific revisions were proposed for the City's RHND allocation assignment.

No action necessary.

Appendix H

Jurisdiction Comments and Proposed Revisions

ALAMEDA COUNTY (CONTINUED)

Livermore

ABAG staff conferred with City staff; no revision proposed.

Newark

ABAG staff conferred with City staff; no revision submitted.

Oakland

ABAG staff conferred with City staff; no revision proposed.

Piedmont

ABAG staff conferred with City staff. Jurisdiction seeks to reduce the City's job growth in the RHND methodology by excluding home occupation jobs which do not require additional housing units. This modification would have the effect of reducing the City's RHND allocation by an undetermined number of units.

The proposed revision is not supported by adequate documentation that explains how the modification would effect the RHND allocation assignment.

Action Recommended by ABAG Staff

No action necessary.

No action necessary.

The City of Newark has reviewed the RHND allocation assigned by ABAG and finds the total housing units assigned unacceptable due to limited available land and environmental constraints which limit the density of new residential development. The City requests that ABAG revisit the RHND methodology in order to address their specific concerns, however the City has not proposed any specific revisions to its RHND allocations.

No action necessary

The jurisdiction provided several general comments relating to the concentration of affordable housing units for some cities in the region, and the need to allocate more affordable units to jurisdictions with percentages of affordable housing that fall below the regional average of the very low and low income categories. Comments were also made suggesting that the process consider historic development patterns and the current jobs/housing balance of jurisdictions.

Staff recommends that the Executive Board deny the proposed revision. ABAG's forecast process includes self-employed workers in the total jobs for Projections 2000. An indistinguishable number of these workers maintain residency in the same place as they operate a business (home occupation jobs). Because ABAG's forecast process has no way of excluding home occupation jobs from the total jobs utilized in the RHND methodology, it is not possible to exclude these jobs from the job growth for the City of Piedmont. Therefore a revision of this type cannot be accommodated. It is important to note that this evaluation is applied to all jurisdictions in the region.

Jurisdiction Comments and Proposed Revisions

ALAMEDA COUNTY (CONTINUED)

Pleasanton

ABAG staff conferred with City staff. Jurisdiction seeks to reduce the City's RHND allocation by 2,272 units based upon overstatements of growth in the Bay Area, lack of adequate infrastructure and public facilities, and the sub-region's non-attainment rating for air quality.

The Jurisdiction also seeks to modify the income distribution by reducing the distribution of units in the very low, low and moderate categories, and increasing the units in the Above Moderate income category. The proposed income distribution numbers and percentage of allocation are as follows: Very Low & Low - 418 (15%), Moderate - 557(20%), and Above Moderate - 1,812(65%).

The proposed revision is not supported by adequate documentation that explains how the proposed RHND allocation was derived.

San Leandro

ABAG staff conferred with City staff; no revision proposed.

Union City

ABAG staff conferred with City staff; no revision proposed.

Action Recommended by ABAG Staff

Staff recommends that the Executive Board deny the proposed revision. The revision criteria cited by the City of Pleasanton does not meet the requirements for a revision as defined by State Housing Element Law. Any proposed revision must be based upon available data, and the same accepted planning methodology which determined the RHND allocation assignment. Proposed revisions must also consider the overall RHND allocations assigned to the region by the Department of Housing and Community Development (HCD).

No action necessary.

The City of San Leandro finds the RHND allocations assigned by ABAG acceptable. The City felt that the RHND allocations consider the City's built-out conditions and recognizes that in-fill potential is the only avenue that can be pursued to meet the RHND production targets.

No action necessary.

Jurisdiction Comments and Proposed Revisions

ALAMEDA COUNTY (CONTINUED)

Unincorporated Alameda County

ABAG staff conferred with County staff. Jurisdiction seeks to reduce the County's RHND allocation by shifting 100% of the unincorporated SOI allocations to the incorporated jurisdictions within the County.

Notes:

Currently, the RHND allocation has assigned 75% of the total unincorporated SOI allocations to the cities (1,886 units) with the remaining 25% of the total unincorporated SOI allocations to the County (629 units).

The proposed revision would shift the responsibility for planning for the 629 units in the unincorporated SOI areas to incorporated jurisdictions within the County of Alameda.

CONTRA COSTA COUNTY

Brentwood

ABAG staff conferred with City staff; no revision proposed.

Antioch

ABAG staff conferred with City staff; no revision proposed.

Clayton

ABAG staff conferred with City staff. Jurisdiction seeks to reduce the City's RHND allocation assignment of 446 units to 164 units or less due to data inconsistencies in the DOF estimates of household growth, and ABAG's Local Policy Survey for the City of Clayton.

Action Recommended by ABAG Staff

Staff recommends that the Executive Board deny the proposed revision. The Executive Board adopted a RHND methodology that distributes 75% of the SOI allocations to the cities and the remaining 25% to the counties. The Board also approved guidelines that would allow jurisdictions to redistribute the numbers on a county-wide basis. The proposed revision does not comply with these established guidelines. The guidelines specifically state that an agreement must be reached by all jurisdictions who wish to redistribute the RHND allocations for the unincorporated SOIs.

ABAG has not been notified of any agreements reached between Alameda County and the cities of Dublin, Pleasanton, and Livermore.

No action necessary.

No action necessary.

Staff recommends that the Executive Board deny the proposed revision. This proposed revision does not reflect the statutory requirements contained in State Housing Element Law which would warrant a revision. The City suggests that ABAG substitute the DOF household estimates with data obtained from the City's recycling fee assessment records. The alternative data provided by the City is unique to the jurisdiction and does not meet the revision requirements of State Housing Element Law. If a jurisdiction proposes an alternate data source to be used in the methodology, it must be current, accurate, replicable and available on a region-wide basis. The data provided by the City of Clayton is not.

Staff has reviewed the Local Policy Survey database and determined that the inaccuracies reported by the City do not impact the household growth and subsequent RHND allocations for the City of Clayton. Therefore a revision is not warranted.

Jurisdiction Comments and Proposed Revisions

Action Recommended by ABAG Staff

CONTRA COSTA COUNTY (CONTINUED)

Concord

ABAG staff conferred with City staff; no revision proposed.

No action necessary.

Danville

ABAG staff conferred with City staff; no revision proposed.

No action necessary.

El Cerrito

No comments or proposed revisions submitted.

No action necessary.

Hercules

No comments or proposed revisions submitted.

No action necessary.

Lafayette

ABAG staff conferred with City staff; no revision proposed.

No action necessary.

The City of Lafayette has reviewed the RHND allocations assigned by ABAG and finds them acceptable.

Martinez

No comments or proposed revisions submitted.

No action necessary.

Moraga

ABAG staff conferred with City staff; no revision proposed.

No action necessary.

Oakley

No comments or proposed revisions submitted.

No action necessary.

Orinda

No comments or proposed revisions submitted.

No action necessary.

Pinole

No comments or proposed revisions submitted.

No action necessary.

Pittsburg

No comments or proposed revisions submitted.

No action necessary.

Appendix H

Jurisdiction Comments and Proposed Revisions

Action Recommended by ABAG Staff

CONTRA COSTA COUNTY (CONTINUED)

Pleasant Hill

ABAG staff conferred with City staff; no revision proposed.

No action necessary.

Richmond

ABAG staff conferred with City staff. Jurisdiction requests that ABAG recalculate the City's RHND allocation by income category based upon an alternate methodology supplied by the City.

Staff recommends that the Executive Board deny the proposed revision. The proposed revision does not consider the statutory requirements contained in State Housing Element Law, which would warrant a revision. All proposed revisions must be based upon data that is current, replicable, regionally accepted, and considers the same accepted methodology which determined the original RHND allocations.

The formula and methodology proposed by City of Richmond staff is unique to the City, and therefore does not represent data that is consistent with the criteria of State Housing Element Law.

San Pablo

No comments or proposed revisions submitted.

No action necessary.

San Ramon

ABAG staff conferred with City staff. Jurisdiction seeks to reduce the number of housing units in the combined very-low, low and moderate income categories to 1,429 units (Current combined total; 1,955 units). Proposed revision is based upon voter mandates, lack of available land, past housing production performance and legal agreements which constrain residential growth in Dougherty Valley.

Staff recommends that the Executive Board deny the proposed revision. The proposed revision does not meet the requirements of State Housing Element Law which would warrant a revision. State Housing Element Law does not recognize local growth control policies and the lack of redevelopment potential as a constraint to planning for the RHND assignment.

Walnut Creek

No comments or proposed revisions submitted.

No action necessary.

Jurisdiction Comments and Proposed Revisions

CONTRA COSTA COUNTY (CONTINUED)

Unincorporated Contra Costa County

ABAG staff conferred with County staff. Jurisdiction seeks to modify the RHND methodology by substituting the DOF E-5 report estimate of households with a calculated figure based upon ABAG's forecast of households between 1995 and 2000. This would reduce the household growth forecast for unincorporated Contra Costa County, and the subsequent RHND allocations associated with this share of household growth. The County has provided a revised RHND allocation figure of 4,096 units for the 1999-2006 time frame.

Notes:

In accordance with the Executive Board directive of maintaining the county-wide RHND allocations, any reduction in RHND allocations for unincorporated Contra Costa County would have to be absorbed by one or all of the other jurisdictions within Contra Costa County.

MARIN COUNTY

Belvedere

No comments or proposed revisions submitted.

Corte Madera

ABAG staff conferred with Town staff. Jurisdiction seeks to reduce the RHND allocation assigned in the third official release (175 units) to match the RHND allocation assigned in the Second Official release (99 units). The proposed modification would reduce the RHND allocation for the Town of Corte Madera by 76 units.

Fairfax

ABAG staff conferred with Town staff. Jurisdiction proposes that ABAG reduce the Town's RHND allocation due to a lack of vacant land and environmental constraints. The City does not identify a revised RHND allocation figure.

Action Recommended by ABAG Staff

Staff recommends that the Executive Board deny the proposed revision. The proposed revision does not meet the requirements of State Housing Element Law which would warrant a revision. Proposed revisions must be based on the same accepted methodology, which determined the RHND allocations for the requesting jurisdiction.

After reviewing the comparisons of the DOF estimate of households and the calculated figure based upon ABAG's forecast for 1995 and 2000, it was observed that jurisdictions which are adversely impacted by this proposed revision could appeal based upon the same criteria as the proposed revision. This could result in a cycle of RHND appeals with no foreseeable conclusion. The RHND methodology should be maintained, so that revisions of this type do not create appeals which are based upon the same reasoning as the proposed revision.

See ABAG staff explanation concerning the DOF issue.

No action necessary.

Staff recommends that the Executive Board deny the proposed revision. The proposed revision does not reflect the statutory requirements defined in State Housing Element Law, which would warrant a revision. Proposed revisions must be based on the same accepted methodology, which determined the RHND allocations for the requesting jurisdiction.

Staff recommends that the Executive Board deny the proposed revision. The proposed revision does not reflect the statutory requirements defined in State Housing Element Law, which would warrant a revision. State Law does not recognize the lack of available land or environmental constraints as factors that preclude a jurisdiction from planning for the RHND allocation assignment.

Appendix H

Jurisdiction Comments and Proposed Revisions

Action Recommended by ABAG Staff

MARIN COUNTY (CONTINUED)

No comments or proposed revisions submitted.

No action necessary.

Mill Valley

No comments or proposed revisions submitted.

No action necessary.

Novato

ABAG staff conferred with City staff; no proposed revision submitted.

No action necessary.

Ross

ABAG staff conferred with City staff; no revision proposed.

No action necessary.

San Anselmo

No comments or proposed revisions submitted.

No action necessary.

San Rafael

ABAG staff conferred with City staff; no revision proposed.

No action necessary.

The City will continue to increase housing unit numbers by attempting to legalize dwelling units when feasible, encourage density bonuses, encourage second dwelling units, and pursuing funding for construction of affordable housing units.

Sausalito

No comments or proposed revisions submitted.

No action necessary.

Tiburon

ABAG staff conferred with City staff; no revision proposed.

No action necessary.

Unincorporated Marin County

No comments or proposed revisions submitted.

No action necessary.

Jurisdiction Comments and Proposed Revisions

NAPA COUNTY

American Canyon

No comments or proposed revisions submitted.

Calistoga

ABAG staff conferred with City staff. Jurisdiction proposes that ABAG recalculate the RHND allocation based on existing water and wastewater infrastructure constraints.

Napa

ABAG staff conferred with City staff. The City of Napa requests that ABAG recalculate the RHND allocation based on short term infrastructure constraints.

Action Recommended by ABAG Staff

No action necessary.

Staff recommends that the Executive Board deny the proposed revision. The proposed revision does not reflect the statutory requirements defined in State Housing Element Law, which would warrant a revision. Proposed revisions must be based on the same accepted methodology, which determined the RHND allocations for the requesting jurisdiction. State Law considers short term infrastructure constraints as temporary conditions, and therefore do not limit the jurisdiction from planning for the RHND allocation assignment.

Staff recommends that the Executive Board deny the proposed revision. The proposed revision does not reflect the statutory requirements defined in State Housing Element Law, which would warrant a revision. Proposed revisions must consider the same accepted methodology that determined the original RHND allocation.

According to the Department of Housing and Community Development (HCD), sewer, water and other short term infrastructure constraints which may impede a jurisdiction from accommodating the growth pertaining to the RHND allocation, are considered temporary limitations on development, and therefore do not preclude a jurisdiction from planning for the need assigned by the RHND process.

Jurisdiction Comments and Proposed Revisions

NAPA COUNTY (CONTINUED)

St. Helena

ABAG staff conferred with City staff. Jurisdiction seeks to reduce the City's RHND allocation from 130 units to 92 units based upon growth restrictions pertaining to the City's policies on agricultural land preservation, residential growth management, lack of water and transportation infrastructure and limited availability of residentially developable raw land.

Yountville

ABAG staff conferred with city staff; no revision proposed.

Unincorporated Napa County

ABAG staff conferred with County staff. Jurisdiction requests ABAG to recalculate the RHND allocation for the County based upon short term infrastructure constraints and the County's residential growth limiting policies.

Action Recommended by ABAG Staff

Staff recommends that the Executive Board deny the proposed revision. The criteria identified by St. Helena does not meet the requirements for a revision as identified in Housing Element Law, which would warrant a revision.

According to the Department of Housing and Community Development (HCD), sewer, water and other infrastructure constraints which may impede a jurisdiction from accommodating the growth pertaining to the RHND allocation, are considered temporary limitations on development, and therefore do not preclude a jurisdiction from planning for the need assigned by the RHND process. Growth limiting policies are not recognized in State Housing Element Law as a constraint that would preclude the City from planning for their RHND allocation.

No action necessary.

The Yountville Town Council has reviewed the RHND allocations assigned by ABAG. The Town Council concluded that the RHND allocation considers the Town's limited supply of available and undeveloped land.

Staff recommends that the Executive Board deny the proposed revision. The proposed revision does not reflect the statutory requirements defined in State Housing Element Law, which would warrant a revision. Proposed revisions must be based on the same accepted methodology, which determined the RHND allocations for the requesting jurisdiction. Proposed revisions must also consider the overall RHND allocations assigned by the Department of Housing and Community Development (HCD).

The revision submitted by Napa County proposes that the ABAG change RHND methodology and take short-term. According to Housing Element Law and HCD, growth restrictions pertaining to the County's policies on residential growth management, agricultural land preservation, and inadequate transportation infrastructure are not recognized as constraints that would preclude the County from planning for their RHND allocation.

Jurisdiction Comments and Proposed Revisions

Action Recommended by ABAG Staff

SAN FRANCISCO CITY/ COUNTY

ABAG staff conferred with City/ County staff; no revision proposed.

No action necessary.

SAN MATEO COUNTY

Atherton

No comments or proposed revisions submitted.

No action necessary.

Belmont

ABAG staff conferred with City staff; no revision proposed.

No action necessary.

The Belmont City Council has reviewed the RHND allocations assigned by ABAG, and feels that the City will be able to identify adequate sites to accommodate the planning responsibility in the update of the City's Housing Element for the 1999-2006 time frame.

Brisbane

No comments or proposed revisions submitted.

No action necessary.

Burlingame

No comments or proposed revisions submitted.

No action necessary.

Colma

ABAG staff conferred with City staff; no revision proposed.

No action necessary.

Daly City

ABAG staff conferred with City staff; no revision proposed.

No action necessary.

East Palo Alto

No comments or proposed revisions submitted.

No action necessary.

Foster City

ABAG staff conferred with City staff; no revision proposed.

No action necessary.

The City of Foster City has reviewed the RHND allocations assigned by ABAG and feels that the units allocated to the City are reasonable.

Half Moon Bay

ABAG staff conferred with City staff; no revision proposed.

No action necessary.

Appendix H

Jurisdiction Comments and Proposed Revisions

Action Recommended by ABAG Staff

SAN MATEO COUNTY (CONTINUED)

Hillsborough

ABAG staff conferred with City staff; no revision proposed.

No action necessary.

Menlo Park

ABAG staff conferred with City staff; no revision proposed.

No action necessary.

Millbrae

No comments or proposed revisions submitted.

No action necessary.

Pacifica

No comments or proposed revisions submitted.

No action necessary.

Portola Valley

ABAG staff conferred with City staff; no revision proposed.

No action necessary.

Redwood City

No comments or proposed revisions submitted.

No action necessary.

San Bruno

ABAG staff conferred with City staff. Jurisdiction requests that ABAG recalculate the City's RHND allocation based upon environmental constraints related to airport noise levels that limit residential growth, and flaws contained in the employment growth forecasts of Projections 2000 identified by the City. The City has not suggested any specific numbers by which the allocation should be reduced.

Staff recommends that the Executive Board deny the proposed revision. The environmental constraints cited by the City have been taken into consideration in the context of the Projections 2000 forecast process.

ABAG staff has reviewed the employment projections for the City of San Bruno, and determined that the employment growth forecasts, contained in Projections 2000, do not contain errors.

San Carlos

ABAG staff conferred with City staff; no revision proposed.

No action necessary.

San Mateo

No comments or proposed revisions submitted.

No action necessary.

South San Francisco

ABAG staff conferred with City staff; no revision proposed.

No action necessary.

**Jurisdiction Comments
and Proposed Revisions**

**Action Recommended
by ABAG Staff**

SAN MATEO COUNTY (CONTINUED)

Woodside

ABAG staff conferred with City staff; no revision proposed.

No action necessary.

The Town of Woodside believes the RHND allocations fairly apportion the regional housing need to all Bay Area cities and counties.

Unincorporated San Mateo County

ABAG staff conferred with County staff; no revision proposed.

No action necessary.

Jurisdiction Comments and Proposed Revisions

SANTA CLARA COUNTY

Campbell

No comments or proposed revisions submitted.

Cupertino

ABAG staff conferred with City staff. Jurisdiction seeks to reduce the RHND allocation for the City based upon a recent annexation of the Rancho Rinconado area, formerly a part of the unincorporated Santa Clara County.

In March 1999, Cupertino annexed 1,562 housing units in the formerly unincorporated Rancho Rinconada neighborhood. These housing units were included as part of the ABAG Projections 2000 households for the year 2006, but were not added to the Department of Finance (DOF) 1999 base numbers. Consequently, Cupertino would experience these units as housing growth between 1999 and 2006, when in fact, these housing units already exist and should be part of the 1999 DOF base. The proposed revision would modify the City of Cupertino's household growth of 3,337 to 1,843. This would reduce the RHND allocation from 3,692 units to 2,720 units.

Notes:

Because the proposed revision shifts households from Santa Clara County to the City of Cupertino, the revision would modify both Santa Clara County and Cupertino's RHND allocations. Therefore a revision a revision would be required for both Cupertino and Santa Clara County.

Action Recommended by ABAG Staff

No action necessary.

Staff recommends that the Executive Board approve this proposed revision. ABAG's Projections 2000 forecast of households for 2006 takes into account the Rancho Rinconada annexation by the City of Cupertino. The DOF E-5 report household figure for 1999 does not account for this annexation. Therefore, the DOF figure (33,417 households) as currently used in the RHND methodology for Santa Clara County is incorrect, and should be substituted with a correct figure (31,923 households). The growth currently assigned to Santa Clara County in the methodology is understated by 1,494 households for the 1999 base year. This proposed revision would align the 1999-2006 household growth of Santa Clara County more closely with ABAG's forecast of household growth.

Cupertino Revision. Staff has converted the 1,562 housing unit figure to 1,494 households using the DOF E-5 report's 1999 vacancy rate for the City of Cupertino (4.34%). These households were then added to the City of Cupertino's 1999 DOF E-5 report households figure of 16,661, changing the base number to 18,155 households. This reduces Cupertino's original household growth of 3,337 (1.88% of the total growth for the region) to 1,843 households (1.04% of the total growth for the region). Applying the new share of household growth in the allocation methodology reduces the city of Cupertino's RHND allocation from 3,692 units to 2,720 units (972 unit difference).

Santa Clara County Revision. Due to the Rancho Rinconada neighborhood originally being an unincorporated portion of Santa Clara County, the number of households added to the City of Cupertino (1,494) has to be subtracted from the unincorporated Santa Clara County DOF E-5 report households base figure for 1999, as used in the RHND methodology (33,417 minus 1,494 equals 31,923 households). This increases Santa Clara County's original household growth of 921 households (0.52% of the total growth for the region) to 2,415 households (1.36% of the total growth for the region) over the 1999-2006 time period. Applying the new share of household growth in the allocation methodology increases the unincorporated Santa Clara County's RHND allocation of 474 units to 1,445 units (includes SOI allocation).

Jurisdiction Comments and Proposed Revisions

SANTA CLARA COUNTY (CONTINUED)

Gilroy

ABAG staff conferred with City staff. Jurisdiction seeks to recalculate the RHND allocations based upon an alternate methodology that considers LAFCO Urban Service Area policies, and other criteria that could be used to reduce sprawl. Using the City's alternate methodology would reduce the RHND allocation from 3,710 units to 2,800 units, (a reduction of 910 units) for the 1999-2006 RHND time frame.

Notes:

The proposed revision is not supported by adequate documentation which explains how the proposed RHND allocation was derived.

Los Altos

ABAG staff conferred with City staff; no revision proposed.

Los Altos Hills

ABAG staff conferred with City staff; no revision proposed.

Los Gatos

No comments or proposed revisions submitted.

Milpitas

No comments or proposed revisions submitted.

Monte Sereno

No comments or proposed revisions submitted.

Morgan Hill

ABAG staff conferred with City staff. Jurisdiction requests that ABAG modify the RHND methodology to take into account job creation, and growth limits established by a housing units construction cap that is currently in place. The proposed revision does not provide a number by which the allocation should be reduced.

Action Recommended by ABAG Staff

Staff recommends that the Executive Board deny the proposed revision. The proposed revision does not reflect the statutory requirements of State Housing Element Law, which would warrant a revision. Any proposed revision must be based upon available, replicable data, and the same accepted planning methodology which determined the RHND allocation assignment. Proposed revisions must also consider the overall RHND allocations assigned to the region by the Department of Housing and Community (HCD).

No action necessary.

No action necessary.

The Town of Los Altos Hills believes the RHND allocations fairly apportions the regional housing need to all Bay Area cities and counties.

No action necessary.

No action necessary.

No action necessary.

Staff recommends that the Executive Board deny the proposed revision. The proposed revision does not reflect the statutory requirements of State Housing Element Law, which would warrant a revision. Any proposed revision must be based upon available, replicable data, and the same accepted planning methodology which determined the RHND allocation assignment. Proposed revisions must also consider the overall RHND allocations assigned to the region by the Department of Housing and Community Development (HCD).

Appendix H

Jurisdiction Comments and Proposed Revisions

Action Recommended by ABAG Staff

SANTA CLARA COUNTY (CONTINUED)

Mountain View

ABAG staff conferred with City staff; no revision proposed.

No action necessary.

Palo Alto

No comments or proposed revisions submitted.

No action necessary.

San Jose

No comments or proposed revisions submitted.

No action necessary.

Santa Clara

ABAG staff conferred with City staff. Jurisdiction requests that ABAG reduce the RHND allocation assigned in the third official release (6,339 units) to match the RHND allocation assigned in the second official release (4,229 units). The proposed revision would reduce the RHND allocation for the City of Santa Clara by 3,590 units.

Staff recommends that the Executive Board deny the proposed revision. The proposed revision does not cite any criteria defined by State Housing Element Law, which would warrant a revision. The revision submitted by the City of Santa Clara proposes that ABAG modify the RHND methodology. Any proposed revisions must be based on the same accepted methodology that determined the RHND allocations for the requesting jurisdiction. Proposed revisions must also consider the overall RHND allocations assigned by HCD.

Saratoga

ABAG staff conferred with City staff. Jurisdiction requests that ABAG recalculate the RHND allocation based upon past housing unit production trends and proposed revisions to Projections 2000 job forecasts. Based upon a revised RHND calculation provided by the City, the proposed revision would reduce the RHND allocation assignment of 539 units to a proposed total of 223 units over the 1999-2006 RHND time frame.

Staff recommends that the Executive Board deny the proposed revision. The proposed revision cites inaccuracies in the Projections 2000 forecast as the determining factor for an overstatement of the City's RHND allocation assignment. Jurisdiction's were given several opportunities to review and modify, if necessary, their Projections 2000 growth forecasts prior to the release of preliminary RHND allocations to Bay Area jurisdictions. Therefore, requests for modification based upon Projections 2000 data inaccuracies are questionable. All Bay Area jurisdictions are treated equally in this manner.

Sunnyvale

No comments or proposed revisions submitted.

No action necessary.

Jurisdiction Comments and Proposed Revisions

Action Recommended by ABAG Staff

SANTA CLARA COUNTY (CONTINUED)

Unincorporated Santa Clara County

ABAG staff conferred with County staff; no revision proposed. The City of Cupertino has proposed a revision which affects the RHND allocation for Santa Clara County. Refer to revision explanation for the City of Cupertino.

See Cupertino Proposed Revision

SOLANO COUNTY

Benicia

ABAG staff conferred with City staff; no proposed revision submitted.

No action necessary.

Dixon

ABAG staff conferred with City staff; no proposed revision submitted.

No action necessary.

Fairfield

ABAG staff conferred with City staff. Jurisdiction seeks to revise the income category distribution as follows; Very Low (789), Low (442), Moderate (1,002), Above Moderate (1,574).

Staff recommends that the Executive Board deny the proposed revision. The proposed revision seeks to adopt the regional average income distribution for the City's RHND allocation by income category. The proposed revision does not reflect the direction of the Executive Board, which is to move each jurisdiction 50% towards the regional average.

Rio Vista

ABAG staff conferred with City staff; no proposed revision submitted.

No action necessary.

Suisun City

ABAG staff conferred with City staff; no proposed revision submitted.

No action necessary.

Jurisdiction Comments and Proposed Revisions

SOLANO COUNTY (CONTINUED)

Vacaville

ABAG staff conferred with City staff. Jurisdiction requests that ABAG substitute the city's DOF 1999 estimate of households in the RHND methodology, with an interpolated figure based upon ABAG's forecast of households in 1995 and 2000. This modification would reduce the household growth forecast for the City of Vacaville, and the RHND allocations associated with this share of household growth.

Notes:

In accordance with the Executive Board directive of maintaining the county-wide RHND allocations, any reduction in RHND allocations from the City of Vacaville would have to be absorbed by other jurisdictions within Solano County.

Vallejo

ABAG staff conferred with City staff; no revision proposed.

Action Recommended by ABAG Staff

Staff recommends that the Executive Board deny this proposed revision The proposed revision does not meet the requirements of State Housing Element Law which would warrant a revision. Proposed revisions must be based on the same accepted methodology, which determined the RHND allocations for the requesting jurisdiction.

After reviewing the comparisons of the DOF estimate of households and the calculated figure based upon ABAG's forecast for 1995 and 2000, it was observed that jurisdictions which are adversely impacted by this proposed revision could appeal based upon the same criteria as the proposed revision. This could result in a cycle of RHND appeals with no foreseeable conclusion. The RHND methodology should be maintained, so that revisions of this type do not create appeals which are based upon the same reasoning as the proposed revision.

See ABAG staff explanation concerning the DOF issue.

No action necessary.

The Vallejo City Council approved a resolution to accept the RHND allocation assigned by ABAG for the 1999-2006 time frame.

Jurisdiction Comments and Proposed Revisions

SOLANO COUNTY (CONTINUED)

Unincorporated Solano County

ABAG staff conferred with County staff. Solano County has proposed two revisions to their RHND allocation. An explanation of each is provided below:

Proposed Revision 1:

Jurisdiction seeks to modify the RHND methodology by substituting the DOF E-5 report estimate of households with a calculated figure based upon ABAG's forecast of households between 1995 and 2000. This would reduce the household growth forecast for unincorporated Solano County, and the subsequent RHND allocations associated with this share of household growth.

Notes:

In accordance with the Executive Board directive of maintaining the county-wide RHND allocations, any reduction in RHND allocations for unincorporated Solano County would have to be absorbed by one or all of the other jurisdictions within Solano County.

Proposed Revision 2:

Jurisdiction seeks to modify the RHND methodology by shifting the County's 25% share of the RHND allocation assignment for the unincorporated SOI to each incorporated jurisdiction within Solano County.

Action Recommended by ABAG Staff

Proposed Revision 1:

Staff recommends that the Executive Board deny the proposed revision. The proposed revision does not meet the requirements of State Housing Element Law which would warrant a revision. Proposed revisions must be based on the same accepted methodology, which determined the RHND allocations for the requesting jurisdiction.

After reviewing the comparisons of the DOF estimate of households and the calculated figure based upon ABAG's forecast for 1995 and 2000, it was observed that jurisdictions which are adversely impacted by this proposed revision could appeal based upon the same criteria as the proposed revision. This could result in a cycle of RHND appeals with no foreseeable conclusion. The RHND methodology should be maintained, so that revisions of this type do not create appeals which are based upon the same reasoning as the proposed revision.

See ABAG staff explanation concerning the DOF issue.

Proposed Revision 2:

Staff recommends that the Executive Board deny the proposed revision.

The Executive Board adopted a RHND methodology that distributes 75% of the SOI allocations to the cities and the remaining 25% to the counties. The Board also approved guidelines that would allow jurisdictions to redistribute the numbers on a county-wide basis. The proposed revision does not comply with these established guidelines. The guidelines specifically state that an agreement must be reached by all jurisdictions who wish to redistribute the RHND allocations for the unincorporated SOIs.

ABAG has not been notified of any agreements reached between jurisdictions within Solano County.

Appendix H

Jurisdiction Comments and Proposed Revisions

SONOMA COUNTY

Cloverdale

ABAG staff conferred with City staff; no revision submitted.

Cotati

ABAG staff conferred with City staff; no revision proposed.

Healdsburg

ABAG staff conferred with City staff. Jurisdiction seeks to reduce the City of Healdsburg's RHND allocation from 573 units to 513 units. Revision is based upon an alternate methodology which uses the growth forecasts for the cities and counties contained in Projections 2000 as a basis for determining the RHND allocations.

Petaluma

ABAG staff conferred with City staff; no revision proposed.

Action Recommended by ABAG Staff

No action necessary.

The City of Cloverdale finds the RHND allocation for the 1999-2006 timeframe to be generally within the growth projections and policies of the City's General Plan.

No action necessary.

Staff recommends that the Executive Board deny the proposed revision. The proposed revision does not reflect the statutory requirements as defined by State Housing Element Law, which would warrant a revision. The revision submitted by the City of Healdsburg suggests that ABAG substitute the HCD assigned overall RHND allocation with the regional growth as determined by ABAG's Projection's 2000 forecast. Any proposed revision must be based upon available data, and the same accepted planning methodology which determined the RHND allocations for the requesting jurisdiction. Proposed revisions must also consider the overall RHND allocations assigned by the Department of Housing and Community Development (HCD).

No action necessary.

The City approves of its housing needs allocation of 597 units for the period 1999-2006. The City made general comments about the County's policy of city-centered growth and the need to consider the many urban growth boundaries that exist for cities in Sonoma County. Comments were also made concerning infrastructure limitations, the need to consider smart growth principles when balancing jobs and housing, and the need to recognize past affordable housing development. The City also suggested that ABAG work with jurisdictions in the region to reform State Housing Element Law as well as the RHND process.

Jurisdiction Comments and Proposed Revisions

Action Recommended by ABAG Staff

SONOMA COUNTY (CONTINUED)

Rohnert Park

ABAG staff conferred with City staff. Jurisdiction seeks to modify the RHND allocation by reversing the assignment of housing need between the SOI allocation and the City boundary allocation. The overall RHND allocation will not be reduced.

The preliminary RHND allocation for Rohnert Park is 2,124 units. Out of this total, 1,462 units are assigned to the current city boundaries and the remaining 662 units are assigned to the unincorporated SOI. The Jurisdiction proposes that out of the total RHND allocation of 2,124 units, 621 units could be accommodated within the current city boundaries and the remaining 1,503 units could be accommodated within the proposed SOI.

No action necessary. Jurisdictions are responsible for planning for the total RHND allocation in any manner that is feasible, meets the criteria as defined by Housing Element Law, shows no reduction to the overall RHND allocations. The Department of Housing and Community Development (HCD) has stipulated that jurisdictions seeking to plan for the RHND allocation in unincorporated SOI areas, (both inside the current SOI boundaries and areas in which the jurisdiction intends to annex), must demonstrate that adequate infrastructure, i.e. streets, sewer and water, will be available within the applicable RHND planning period (1999-2006). In addition, areas which are planned to be annexed during the RHND planning time frame, must be approved and adopted in a timely manner that will allow the planned development to occur within the annexed areas. Jurisdictions must submit to HCD a detailed schedule of the annexation process, which clearly provides enough time for adequate infrastructure to be in place allowing development to commence within the RHND planning time frame.

Santa Rosa

ABAG staff conferred with City staff; no revision proposed.

No action necessary.

The City of Santa Rosa has reviewed the RHND allocation assigned by ABAG. The City accepts the RHND allocation as a target for meeting its share of the regional housing need and will develop programs to achieve this goal.

Sebastopol

ABAG staff conferred with City staff. Jurisdiction seeks to reduce the RHND allocation assigned in the third official release (274 units) to match the RHND allocation assigned in the Second Official release (157 units). The proposed modification would reduce the RHND allocation for the City of Sebastopol by 117 units.

Staff recommends that the Executive Board deny the proposed revision. The proposed revision does not cite any criteria which would warrant a revision, as defined by State Housing Element Law.

Sonoma

ABAG staff conferred with City staff; no revision proposed.

No action necessary.

Jurisdiction Comments and Proposed Revisions

SONOMA COUNTY (CONTINUED)

Windsor

ABAG staff conferred with City staff. Jurisdiction requests that the RHND allocation be revised to 170 units per year (a total of 1,275 units) over the 1999-2006 RHND time frame.

Unincorporated Sonoma County

ABAG staff conferred with County staff. Jurisdiction requests that ABAG and HCD resume negotiations over the total regional “goal” number, with the intent that the regional number be reduced to match the corresponding housing unit forecast as contained in the Projections 2000 report. The County proposes that the methodology should consider the following criteria:

1. The household projections in Projections 2000 should be prorated to correspond to the 7.5 year planning period (1999-2006)
2. City holding capacity and allocations should be based upon the adopted SOI boundary, or any other voter approved Urban Growth Boundary
3. The allocations to each jurisdiction should be consistent with the jurisdiction’s General Plan Land Use Map holding capacity for that 7.5 year period

Following this method, the subsequent RHND allocations for the unincorporated areas Sonoma County should be reduced from 13,041 units to approximately 3,123 units.

Action Recommended by ABAG Staff

Staff recommends that the Executive Board deny the proposed revision. The proposed revision does not meet the requirements of CA State Housing Element Law which would warrant a revision. The proposed revision seeks to modify the RHND allocation by reducing the total allocation to match the growth management ordinance established by the Town of Windsor. Growth management policies that limit the construction of housing units are not recognized by the statute.

Staff recommends that the Executive Board deny the proposed revision. The revision criteria cited does not meet the requirements for a revision as defined by housing element law. Any proposed revision must be based upon available data, and the same accepted planning methodology which determined the RHND allocations for the requesting jurisdiction. Proposed revisions must also consider the overall RHND allocations assigned by the Department of Housing and Community Development (HCD).

The revision submitted by Sonoma County suggests that ABAG substitute the HCD assigned overall RHND allocation with the regional growth as determined by ABAG’s Projection’s 2000 forecast. The overall allocation assigned to Sonoma County has been reduced from 13,041 units to 6,799 units as a result of the Executive Board’s modification to the RHND methodology at their May 18, 2000, board meeting.



Appendix I

Appeal Resolutions

*Regional Housing Needs Determination
Association of Bay Area Governments*

Regional Housing Needs Determination Appeal Resolutions

Appeal Hearing Date: January 25, 2001

Summary of Appeal Committee Actions

1. City of Richmond- RHND Allocation Modified

Revision Request

The appeal by the City of Richmond contained two proposed revisions.

Proposed Revision 1. The City of Richmond requested that ABAG reduce its RHND allocation an undetermined amount by taking into consideration the City's high rate of unemployment.

Resolution

Proposed Revision 1. The Appeal Committee denied the City of Richmond's request to reduce the City's RHND allocations by modifying the RHND methodology in a manner that would consider the City's high rate of unemployment.

Reasoning

The appeal to reduce the City's RHND allocations is not consistent with the requirements of State Housing Element Law, nor the additional appeal criteria stipulated by the Executive Board, which would warrant a revision.

- The proposed revision is inconsistent with the goals of the RHND process. The RHND methodology allocates housing units to jurisdictions based upon both household growth as well as job growth. Jurisdictions that are planning additional job growth receive an RHND allocation commensurate with that job growth.
- The proposed revision is not based upon acceptable data that is available, accurate, current and replicable at the region level.
- The City of Richmond has not identified another recipient (other jurisdiction(s)) willing to incorporate the proposed reduction in RHND allocations.

Revision Request

Proposed Revision 2. The City also requested that its income distribution allocation be reduced in the lower income categories based upon the City's current housing stock, which already contains high numbers of lower income households.

Resolution

Proposed Revision 2. The Appeal Committee approved the City of Richmond's request to redistribute the RHND allocations among income category distribution. Staff recommended applying the Contra Costa countywide income averages to the RHND allocation for the City of Richmond. This revision shifts 288 units from the very low, low, and moderate income categories into the above moderate category, while maintaining the overall RHND allocation of 2,603 units assigned by ABAG.

Reasoning

When a comparison is drawn between the combined very-low and low income percentages of the City of Richmond and the other jurisdictions within Contra Costa county, the City of Richmond is found to have a disproportionately higher number of lower income households than other jurisdictions throughout Contra Costa county. This condition is perpetuated by the income distribution method applied by the RHND methodology. State Housing Element law indicates that the RHND methodology should seek to reduce over-concentration of lower income households in its distribution of the RHND allocations. The City of Richmond has a uniquely higher percentage of lower income households compared with the other jurisdictions in Contra Costa County.

In order to address this issue, staff recommended applying the Contra Costa countywide income percentages to the City of Richmond's RHND allocation. The resolution would move the City of Richmond's lower income housing stock closer to the other jurisdictions within Contra Costa County.

Table I. Revised RHND Allocation by Income Category

Income Category	City of Richmond		Contra Costa County	City of Richmond	
	Percentage	Allocation	Percentage	Revised RHND Allocation	Difference
Above Moderate	36.3 %	946	47.4%	1,234	+ 288
Moderate	25.7 %	670	24%	625	-45
Low	12.1 %	314	10.5%	273	-41
Very Low	25.9%	673	18.1 %	471	-202

2. City of Piedmont- Appeal Denied

Revision Request

The City of Piedmont requested that ABAG reduce the City's job growth in the RHND methodology from 136 jobs to 84 jobs, and the household growth from 19 households to 14. This request is based upon alleged inaccuracies in the Projections 2000 forecast claimed by the City of Piedmont. This requested modification would have the effect of reducing the City's RHND allocation from 49 units to 32 units.

Resolution

The Appeal Committee denied the City of Piedmont's request to modify the RHND methodology by reducing the household and job growth in the RHND methodology.

Continued on next page...

Appendix I

Reasoning

The appeal does not meet the requirements of State Housing Element Law, nor the additional appeal conditions stipulated by the Executive Board, which would warrant a revision.

- The City of Piedmont cites alleged inaccuracies in the Projections 2000 forecast as the determining factor for an overstatement of the City's RHND allocation. Jurisdictions are given several opportunities to review and modify, if necessary, their Projections growth forecasts prior to ABAG release of the data. The City of Piedmont did review its Projections 2000 forecast, however no modification was proposed to the City's employment estimates. The data used in the ABAG methodology (Projections 2000) to determine the RHND allocations was therefore considered valid, and was used to determine the RHND allocation for the City of Piedmont.
- The proposed revision is not supported by adequate documentation. The City of Piedmont conducted an employment survey of its businesses in an effort to determine the number of employed persons working within the City. The City maintains that its employment survey should be considered as alternative data that can be used to revise the City's RHND allocations. Housing Element Law states that acceptable data must be considered if it is (1) Available; generally accessible to the public, (2) Accurate; reasonably free from defect and developed in accordance with an established methodology having produced reliable estimates over time, (3) Current and (4) Replicable; data which can be used on a region-wide basis.
- The employment survey submitted by the City of Piedmont does not meet all of the above criteria. It cannot be reproduced at the regional scale, representing a housing market area larger than a single jurisdiction.
- The City of Piedmont has not identified another recipient (other jurisdiction(s)) willing to incorporate the proposed reduction in RHND allocations.

3. City of Rohnert Park- Appeal Denied

Revision Request

The City of Rohnert Park requested that its RHND allocation be reduced from 2,124 units to 621 units (a reduction of 1,503 units). The requested revision is based upon alleged inaccuracies in the Projections 2000 forecasts, which the City states is an overestimation of growth during the RHND planning time frame. The City of Rohnert Park contends that ABAG staff did not remove a record, marked for deletion in the Local Policy Survey database. At the City's request, the record was amended to show increased residential density prior to the release of Projections 2000.

Resolution

The Appeal Committee denied the City of Rohnert Park's request to reduce the City's RHND allocation.

Reasoning

The appeal does not meet the requirements of State Housing Element Law, nor the additional appeal conditions stipulated by the Executive Board, which would warrant a revision.

Continued on next page...

- The City of Rohnert Park cites alleged inaccuracies in the Projections 2000 forecast for households as the determining factor for an overstatement of the City's RHND allocation. Jurisdictions are given several opportunities to review and modify, if necessary, their Projections growth forecasts prior to ABAG's release of the data. The City of Rohnert Park did not update its local policy survey database prior to the release of the preliminary Projections 2000 forecast, nor did it submit comments to ABAG during the review of the preliminary Projections 2000 forecast, that suggested the household growth forecasts were inaccurate. The data used by ABAG to determine the RHND allocations was considered valid, and was used to determine the RHND allocation for the City of Rohnert Park.
- The RHND allocations for the City of Rohnert Park are not significantly impacted by the amount of household growth applied in the RHND methodology. The RHND methodology considers each jurisdiction's share of regional job growth and household growth in determining the allocations. The City of Rohnert Park is planning to add 563 households (a 0.32% share of regional household growth) during the RHND timeframe, whereas the City's job growth will be 4,016- nearly 1% of the region's job growth. This level of job growth significantly increases the RHND allocations for the City of Rohnert Park.
- The City of Rohnert Park has not identified another recipient (other jurisdiction(s)) willing to incorporate the proposed reduction in RHND allocations.

4. City of Saratoga- Appeal Denied

Revision Request

The City of Saratoga requests that ABAG recalculate the RHND allocation based upon past housing unit production trends and proposed revisions to Projections 2000 job forecasts. Based upon a revised RHND calculation provided by the City, the proposed revision would reduce the RHND allocation assignment of 539 units to a proposed total of 223 units over the 1999-2006 RHND time frame.

Resolution

The Appeal Committee denied the City of Saratoga's request to reduce the City's RHND allocation.

Reasoning

This appeal does not meet the requirements of State Housing Element Law, nor the additional appeal conditions stipulated by the Executive Board, which would warrant a revision.

- The City of Saratoga cites alleged inaccuracies in the Projections 2000 forecast as the determining factor for an overstatement of the City's RHND allocation. Jurisdictions are given several opportunities to review and modify, if necessary, their Projections growth forecasts prior to ABAG release of the data. The City of Saratoga did not submit comments to ABAG during the review of the preliminary Projections 2000 forecast. The data used by ABAG to determine the RHND allocations was considered valid, and was used to determine the RHND allocation for the City of Saratoga.
- The City of Saratoga has not identified another recipient (other jurisdiction(s)) willing to incorporate the proposed reduction in RHND allocations.

Appendix I

5. County of Solano- Appeal Denied

Revision Request

The appeal by the County of Solano contains two proposed revisions.

Proposed Revision 1. The County of Solano seeks to modify the RHND methodology by substituting the DOF E-5 report estimate of households with a calculated figure based upon ABAG's forecast of households between 1995 and 2000. The County maintains that this figure underestimates the current housing stock in the unincorporated areas. This would reduce the household growth forecast for unincorporated Solano County, and the subsequent RHND allocations associated with this share of household growth.

Proposed Revision 2. The County also seeks to modify the RHND methodology by shifting its 25% share of the RHND allocation assignment for the unincorporated SOI to each incorporated jurisdiction within Solano County.

Resolution

The Appeal Committee denied Solano County's request to reduce the County's RHND allocation.

Reasoning

The appeal does not meet the requirements of State Housing Element Law, nor the additional appeal criteria stipulated by the Executive Board, which would warrant a revision.

- **Proposed Revision 1.** Jurisdictions which are adversely impacted by this proposed revision could appeal based upon the same criteria as Solano County. This could result in a cycle of RHND appeals with no foreseeable conclusion. The RHND methodology should be maintained, so that revisions of this type do not create appeals which are based upon the same reasoning as the proposed revision. Proposed revisions must be based on the same accepted methodology that determined the RHND allocations.
- **Proposed revision 2.** The Executive Board issued a policy directive to divide the RHND allocations for the unincorporated SOI areas amongst the cities and counties in the region. The proposed revision does not comply with this directive. All revisions must be based upon the same accepted planning methodology that produced the RHND allocations.
- Solano County has not identified another recipient (other jurisdiction(s)) willing to incorporate the proposed reduction in RHND allocations.

6. Town of Windsor- Appeal Denied

Revision Request

The Town of Windsor requests that the RHND allocation be revised to 170 units per year (a total of 1,275 units) over the 1999-2006 RHND time frame, in recognition of the Town's General Plan and Growth Control goals.

Resolution:

The Appeal Committee denied the Town of Windsor's request to reduce the Town's RHND allocation.

Reasoning

The appeal does not meet the requirements of State Housing Element Law, nor the additional appeal criteria stipulated by the Executive Board, which would warrant a revision.

- State Housing Element Law does not recognize local growth control measures as a valid means of reducing RHND allocations.
- The Town of Windsor has not identified another recipient (other jurisdiction(s)) willing to incorporate the proposed reduction in RHND allocations.

7. County of Sonoma- Appeal Denied

Revision Request

Sonoma County requests that ABAG and HCD resume negotiations over the total regional “goal” number, with the intent that the regional number be reduced to match the corresponding housing unit forecast as contained in the *Projections 2000* report. This would reduce the County’s RHND allocation by 3,676 units.

Resolution

The Appeal Committee denied the County of Sonoma's request to reduce the County's RHND allocation.

Reasoning

The appeal does not meet the requirements of State Housing Element Law, nor the additional appeal conditions stipulated by the Executive Board, which would warrant a revision.

- The issues identified by the County of Sonoma are procedural, and therefore are not considered valid points of appeal.
- State Housing Element Law does not recognize local growth control measures as a valid means of reducing RHND allocations.
- The County of Sonoma has not identified another recipient (other jurisdiction(s)) willing to incorporate the proposed reduction in RHND allocations.

8. City of Gilroy- Appeal Denied

Revision Request

The appeal by the City of Gilroy contains two proposed revisions.

Proposed Revision 1. The City of Gilroy seeks to recalculate the RHND allocations based upon an alternate methodology that considers LAFCO Urban Service Area policies, and other criteria that could be used in the methodology to reduce sprawl. Using the City's alternate methodology would reduce the RHND allocation from 3,746 units to 2,800 units, (a reduction of 946 units) for the 1999-2006 RHND time frame.

Proposed Revision 2. The City of Gilroy also requests that the distribution of allocations by income category be modified so that the very low and low-income units be more evenly distributed among the cities in Santa Clara County.

Resolution

The Appeal Committee denied the City of Gilroy's request to reduce the City's RHND allocation, and to modify the distribution by income category in order to more evenly distribute the lower income units amongst the cities in Santa Clara County.

Reasoning

The appeal does not meet the requirements of State Housing Element Law, nor the additional appeal conditions stipulated by the Executive Board, which would warrant a revision.

- The City of Gilroy requests that ABAG incorporate additional factors in the methodology to determine the City's RHND allocations. All revisions must be based upon the same accepted planning methodology that produced the RHND allocations.
- State Housing Element Law does not recognize local growth control measures as a valid means of reducing RHND allocations.
- The proposed revision is not based upon acceptable data that is available, accurate, current and replicable across the entire region. The urban service area policies are very different among the 9 county bay area LAFCO agencies, and therefore not directly applicable across the region.
- The City of Gilroy has not identified another recipient (other jurisdiction(s)) willing to incorporate the proposed reduction in RHND allocations.

9. County of Santa Clara- Appeal Denied

Revision Request

Santa Clara County requests that the RHND allocation for the Unincorporated County be reduced from 1,446 units to 474 units. The appeal is based upon the County's policies that focus growth in the incorporated jurisdictions while limiting growth in the unincorporated areas of the County.

Resolution

The Appeal Committee denied the County of Santa Clara's request to reduce the County's RHND allocation.

Reasoning

The appeal does not meet the requirements of State Housing Element Law, nor the additional appeal conditions stipulated by the Executive Board, which would warrant a revision.

- State Housing Element Law does not recognize local growth control measures as a valid means of reducing RHND allocations.
- The County of Santa Clara has not identified another recipient (other jurisdiction(s)) willing to incorporate the proposed reduction in RHND allocations.

10. City of Alameda- RHND Allocation Modified

Revision Request

The City of Alameda requested that ABAG reduce the City's job growth in the RHND methodology from 5,342 jobs to 2,150 jobs, in recognition of the significant job loss the City suffered as a result of the military base closure at Alameda Point Naval Air Station. The result of this modification would reduce the City's RHND allocation by 882 units.

Resolution

The Appeal Committee reduced the City of Alameda's RHND allocation from 2,162 units to 1,721 units, a reduction of 441 units. The revision is contingent upon HCD's acceptance of this reduction.

Reasoning

The resolution is based upon the following factors:

- The one time loss of approximately 36% of the City of Alameda's total jobs in 1990 has had an adverse impact on the City's jobs/household ratio. This significant level of job loss is unusual, and unique in the context of the region. No other jurisdiction in the region has suffered a job loss of this magnitude.
- The job growth that the City of Alameda is planning during the 1999-2006 RHND timeframe will replace some of the jobs that were lost as a result of the base closure. Because of the importance that the Executive Board has placed on jobs/ housing balance in the RHND methodology, The Appeal Committee believes that the City of Alameda should not receive an RHND allocation that will cause a further decline in the City of Alameda's jobs/household balance.
- The Appeal Committee believes that this action recognizes the goals of State Housing Element Law.

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